

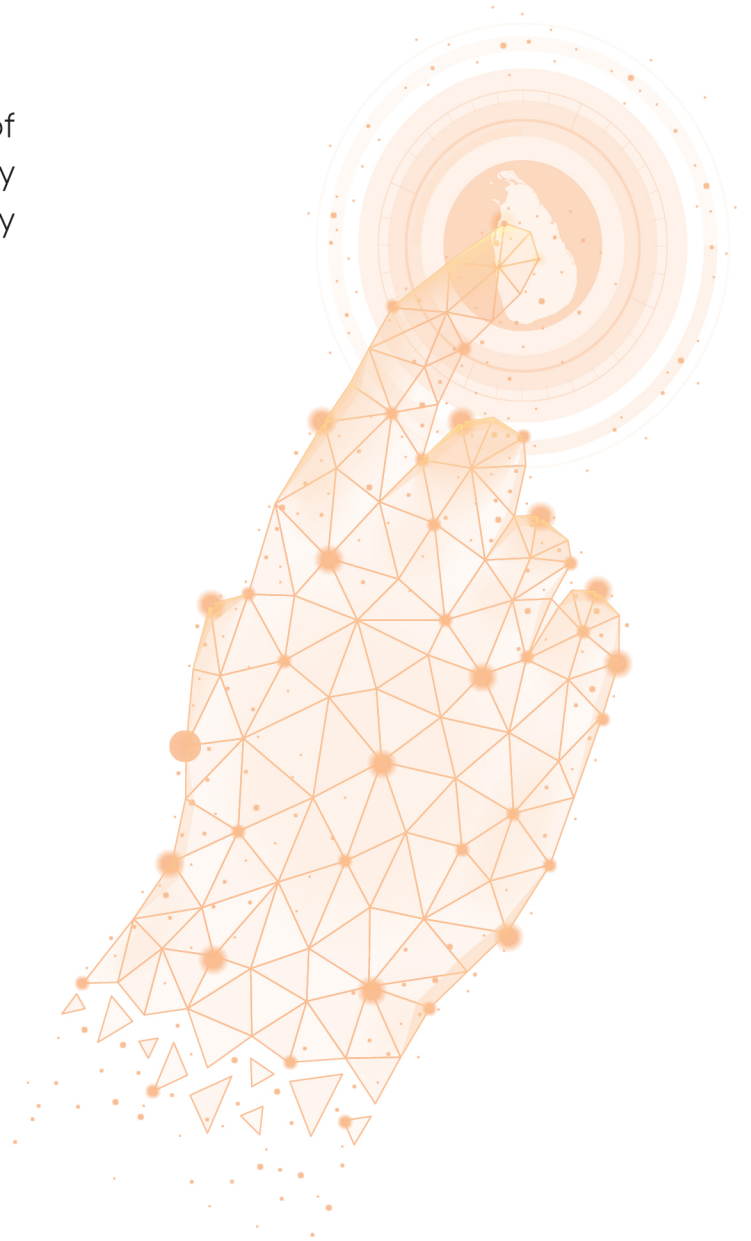


# LUMINEX LIMITED

## PROSPECTUS

Initial Public Offering

Through an Offer for Subscription of Thirty One Million Two Hundred and Fifty Thousand (31,250,000) new Ordinary Voting Shares at LKR 8.00 per Share.



 **NAVARA**  
CAPITAL LTD

*Financial Advisor & Manager to the Issue*



**LUMINEX LIMITED**

# PROSPECTUS

Initial Public Offering

Through an Offer for Subscription of Thirty One Million Two Hundred and Fifty Thousand (31,250,000) new Ordinary Voting Shares at LKR 8.00 per Share.



*Financial Advisor & Manager to the Issue*



**INITIAL PUBLIC OFFER THROUGH AN OFFER FOR SUBSCRIPTION OF THIRTY ONE MILLION TWO HUNDRED AND FIFTY THOUSAND (31,250,000) NEW ORDINARY VOTING SHARES AT LKR EIGHT (LKR 8.00) PER SHARE.**

This Prospectus has been prepared from information provided by Luminex Limited (hereinafter also referred to as “Luminex”, “LL” or “Company”) and its Directors and/or from publicly available sources. The Company and its Directors having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading.

Where representations regarding the future performance of the Company have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in their best judgment.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of information, prospective applicants are advised to carefully read this Prospectus and rely on their own examination and assessment of the Company including the risks involved prior to making any investment decision.

No person is authorized to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

All resident Applicants should indicate in the Application for Shares, their NIC number or the company registration number as the case may be, the passport number may be indicated only if the Applicant does not have an NIC number.

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

Please note that upon the allotment of Shares under this Offer, the allotted Shares would be credited to the Applicant’s CDS account so indicated. Please note that SHARE CERTIFICATES WILL NOT BE ISSUED.

In instances where there is a discrepancy between the CDS account details provided in the Application Form and records held by CDS, the information held in the CDS account will take precedence in order to mitigate risk of allotting shares to an incorrect party.

Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list, or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment will be made.

You can open a CDS account through any member/trading member of the Colombo Stock Exchange (CSE) as set out in Annex VIII or through any Custodian Banks as set out in Annex IX of this Prospectus.

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. However, if there are any material changes in the affairs of the Company from the date of this Prospectus, till the Company's Shares are listed; such material changes will be duly disclosed.

If you are in doubt regarding the contents of this document or if you require any advice in this regard, you should consult your Stockbroker, Bank Manager, Lawyer or any other professional advisor.

The Colombo Stock Exchange ("CSE") has taken reasonable care to ensure full and fair disclosure of the information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed, or reports included in the Prospectus. Moreover, the CSE does not regulate the pricing of the shares, which is decided solely by the Company/Issuer. If there is an inconsistency between the contents herein and the CSE Listing Rules, the Listing Rules will prevail.

**This Prospectus is dated 05.04.2022**

## REGISTRATION OF THE PROSPECTUS

A copy of this Prospectus has been delivered to the Registrar General of Companies in Sri Lanka for registration in accordance with the provisions contained in the Companies Act No. 07 of 2007.

The following documents were also attached to the copy of the Prospectus delivered to the Registrar General of Companies.

❖ **The written consent of the Financial Advisor and Manager to the Issue**

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

❖ **The written consent of the Registrars to the Issue**

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

❖ **The written consent of the Company Secretary**

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

❖ **The written consent of the Auditors and Reporting Accountants to the Company**

The Auditors and Reporting Accountants to the Company have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Auditors and Reporting Accountants to the Company and for the inclusion of their report/statements in the form and context in which it is included in the Prospectus.

❖ **The written consent of the Lawyers to the Issue**

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

❖ **The written consent of the Bankers to the Issue**

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

❖ **A declaration**

A declaration made by each of the Directors of the Company in terms of the Companies Act No. 07 of 2007 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.

❖ **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 applicants may be affected by the laws of the jurisdictions of their residence. Such applicants are responsible for complying with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

❖ **Representation**

No person is authorized to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

#### ❖ **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 other similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward-Looking Statements.

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

Such factors may cause actual results, performance and achievements to materially differ from any future results; and changes to performance or achievements expressed or implied by Forward Looking Statements contained 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, applicants are advised not to place sole reliance on such statements.

#### ❖ **Investment Considerations**

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective applicants, see “Investment Considerations and Associated Risk Factors” in Section 09 of this Prospectus.

#### ❖ **Presentation of Currency Information and Other Numerical Data**

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

Certain numerical figures in the 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.

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

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

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## ISSUE AT A GLANCE

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<b>Company</b>	Luminex Limited
<b>Number and Type of Securities to be Offered</b>	Thirty one million two hundred and fifty thousand (31,250,000) new Ordinary Voting Shares of the Company
<b>Share Issue Price</b>	LKR 8.00 per Ordinary Voting Share
<b>Amount to be Raised</b>	LKR Two Hundred and Fifty Million (LKR 250,000,000)
<b>Minimum Subscription per Application</b>	Minimum subscription per Application is 1,000 Shares (LKR 8,000/-). Applications exceeding the minimum subscription should be in multiples of 100 Shares  Each successful Application shall receive the minimum subscription
<b>Issue Opening Date</b>	26 <sup>th</sup> April 2022
<b>Issue Closing Date</b>	18 <sup>th</sup> May 2022 or such earlier date on which the Issue becomes oversubscribed. Refer Section 3.11 of this Prospectus for further details on the Closure Date
<b>Earliest Closing Date</b>	26 <sup>th</sup> April 2022
<b>Basis of Allotment</b>	As described in Section 4.7 of this Prospectus
<b>CSE Listing</b>	To be listed on the Diri Savi Board of the CSE subject to compliance with the CSE Listing Rules and SEC Directives (as applicable)

## DEFINITIONS/INTERPRETATIONS RELATED TO THE ISSUE

The following definitions/interpretations apply throughout this Prospectus, unless the context otherwise requires:

<b>“Applicant/s”</b>	Any person who submits an Application Form under this Prospectus
<b>“Application Form”, “Application”</b>	The Application Form that constitutes part of this Prospectus through which Applicants may apply for the Shares on Offer
<b>“Articles of Association”</b>	Articles of Association of Luminex Limited
<b>“Auditors and Reporting Accountants to the Company”</b>	Nihal Hettiarachchi and Co. Chartered Accountants
<b>“AWPLR”</b>	Average Weighted Prime Lending Rate published by the Central Bank of Sri Lanka
<b>“Bn”</b>	Billion
<b>CA</b>	Chartered Accountant
<b>“CAGR”</b>	Compounded Annual Growth Rate
<b>“CBSL”</b>	Central Bank of Sri Lanka
<b>“CDS”</b>	Central Depository Systems (Private) Limited
<b>“CIDA”</b>	Construction Industry Development Authority
<b>“Companies Act”</b>	Companies Act No. 07 of 2007
<b>“CSE”</b>	Colombo Stock Exchange
<b>“Directors”</b>	The Directors for the time being of the Company, unless otherwise stated
<b>“EPS”</b>	Earnings Per Share
<b>“EM1”</b>	<b>Electrical &amp; Mechanical Services grade 1</b>
<b>“Float Adjusted Market Capitalisation”</b>	Public holding percentage of the Company multiplied by the market capitalization of the Company
<b>“FY”</b>	Financial Year
<b>“FTTH”</b>	Fibre To The Home
<b>“GDP”</b>	Gross Domestic Product
<b>“HV”</b>	High Voltage
<b>“IPO”</b>	Initial Public Offer through an Offer for Subscription of Thirty one million two hundred and fifty thousand (31,250,000) new Ordinary Voting Shares of the Company at LKR Eight (LKR 8.00) per share
<b>“ISO”</b>	International Organization for Standardization
<b>“IESL”</b>	Institution of Engineers Sri Lanka
<b>“Issue”, “Offering”, “Offer”, “Offer for Subscription”</b>	An invitation to the public by the to purchase new Ordinary Shares of the Company in terms of Section 3.2 of this Prospectus
<b>“Issue Closing Date”, “Closure Date”</b>	The date of closure of the subscription list as set out in Section 3.11 of this Prospectus
<b>“ICTAD”</b>	Institute of Construction Training and Development
<b>“LCB”</b>	Licensed Commercial Bank

<b>“LSB”</b>	Licensed Specialized Bank
<b>“LKR”, “Rs.”, “Rupees”</b>	Sri Lankan Rupees
<b>“Local Time”</b>	Sri Lanka Time
<b>“LL”</b>	Luminex Limited
<b>“LV”</b>	Low Voltage
<b>“Market Day”</b>	Any day on which the CSE is open for trading
<b>“MEP”</b>	Mechanical Engineering, Electrical Engineering and Plumbing
<b>“Mn”</b>	Million
<b>“NAV”</b>	Net Asset Value
<b>“NBT”</b>	Nation Building Tax
<b>“New Shares”, “Offered Shares”</b>	Thirty one million two hundred and fifty thousand (31,250,000) New Ordinary Voting Shares
<b>“NIC”</b>	National Identity Card
<b>“Opening Date”, “Issue Opening Date”</b>	The date of opening of the subscription list as set out in Section 3.10 of this Prospectus
<b>“Ordinary Voting Shares”, “New Ordinary Voting Shares”, “Issued and Paid up Ordinary Shares”</b>	Ordinary shares of the Company, with the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in dividends paid by the Company and the right to an equal share in the distribution of the surplus assets of the Company in liquidation
<b>“OSP”</b>	Outside Plant
<b>“P/E”</b>	Price Earnings Ratio
<b>“POA”</b>	Power of Attorney
<b>“Prospectus”</b>	This Prospectus dated 05.04.2022 issued by the Company
<b>“ROA”</b>	Return on Assets
<b>“ROE”</b>	Return on Equity
<b>“Shares”</b>	Ordinary Voting Shares
<b>“SEC”</b>	Securities and Exchange Commission of Sri Lanka
<b>“Share Issue Price”</b>	The price at which the New Ordinary Voting Shares will be issued to the public, as detailed in this Prospectus Share Issue Price of LKR Eight (LKR. 8.00) per Ordinary Voting Share
<b>“SLAS”, “SLFRS”</b>	Sri Lanka Accounting Standards
<b>“SLT”</b>	Sri Lanka Telecom PLC
<b>“Stated Capital”</b>	The Stated Capital of Luminex Limited
<b>“The Board”, “The Board of Directors”</b>	The Board of Directors of Luminex Limited
<b>“TTM”</b>	Trailing 12 Months
<b>“VAT”</b>	Value Added Tax
<b>“WHT”</b>	Withholding Tax

## 1.0 CORPORATE INFORMATION

<b>Company</b>	Luminex Limited
<b>Registered Office</b>	No. 24, New Galle Road, Moratuwa, Sri Lanka. Hotline: +94 703005553   Tel: +94 112644511 Fax: +94 112642999   Email: nilmini@luminexpl.com
<b>Date, Place and Authority of Incorporation</b>	A Limited Liability Company Incorporated in Sri Lanka on 12/02/1986 under the Companies Act No. 17 of 1982 and re-registered on 19/2/2009 under the Companies Act No. 07 of 2007. The legal form of the company was changed from Private Limited company to a Limited Company under provisions of the Companies Act No. 07 of 2007 on 06 <sup>th</sup> August 2021.  Authority of Incorporation: Registrar of Companies (ROC), Colombo
<b>Company Registration Number</b>	PB00243223
<b>Principal activities and nature of operations</b>	The company is engaged in the business of telecommunication, civil, electrical, electronics, , and mechanical engineering construction contractors, consultants and technical advisers
<b>Company Secretary</b>	R N H Holdings (Private) Limited "R H N House", No 622B, Kotte Road, Kotte, Sri Lanka Tel: +94 114 970104 / +94 114 975999 Fax: +94 114 511473 Email: info@nh-co.lk
<b>Auditors and Reporting Accountants to the Company</b>	Nihal Hettiarachchi and Co. Chartered Accountants "R H N House", No 622B, Kotte Road, Kotte, Sri Lanka Tel: +94 114 970104 / +94 114 975999 Fax: +94 114 511473 Email: info@nh-co.lk
<b>Bankers of the company</b>	Sampath Bank PLC No. 110, Sir James Peiris Mawatha, Colombo 02. Tel: +94 11 230 0260 Fax: +94 11 230 3085  National Development Bank PLC No. 40, Navam Mawatha, Colombo 02. Tel: +94 112448448 Fax: +94 112440262 Email: contact@ndbbank.com  Bank of Ceylon No 01, BOC Square, Bank of Ceylon Mawatha, Colombo 01 Tel:+94 112646165

<b>Board of Directors</b>	Dr. H. N. De Silva	Chairman / Non- Independent / Non-Executive Director
	Mr. G. R. P. Fernando	Managing Director/ Non-Independent Executive Director
	Mr. A. A. C. De Alwis	Non-Independent/ Executive Director
	Mr. Asoka Hettigoda	Independent/ Non-Executive Director
	Mr. I. B. Lionel	Independent/ Non-Executive Director
	Mr. Upul Ranjith Lekamge	Non-Independent/ Executive Director
	Mr. H. M. D. Palitha Herath	Non-Independent/ Executive Director

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## 2.0 RELEVANT PARTIES TO THE ISSUE

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<b>Financial Advisor and Manager to the Issue</b>	<b>Navara Capital Limited</b> No 487/10, Thimbirigasyaya Road Colombo 05, Sri Lanka Tel: +94 11 3461066 Email: info@navaracapital.com
<b>Auditors and Reporting Accountants to the Issue</b>	Nihal Hettiarachchi and Co. Chartered Accountants "R H N House", No 622B, Kotte Road, Kotte, Sri Lanka Tel: +94 114 970104 / +94 114 975999 Fax: +94 114 511473 Email: info@nh-co.lk
<b>Registrars to the Issue</b>	Central Depository Systems (Pvt) Ltd Ground Floor, M&M Center No 341/5, Kotte Road, Rajagiriya Sri Lanka. Tel: +94 11 2356456 & +94 11 7 420 400 Fax: +94 11 2440396 Email: cdsinfo@cse.lk
<b>Lawyers to the Issue</b>	M/S Sudath Perera Associates No. 5, 9th Lane, Nawala Road, Nawala Tel: +94 11 7559944 Fax: +94 11 7559948 Email: inquiries@sudathpereraassociates.com
<b>Bankers to the Issue</b>	Sampath Bank PLC No. 110, Sir James Peiris Mawatha, Colombo 02. Tel: +94 11 230 0260 Fax: +94 11 230 3085

## 3.0 DETAILS OF THE OFFERING

### 3.1 The Offering

The Issue contemplated herein shall constitute an invitation made to the general public to purchase Thirty one million two hundred and fifty thousand (31,250,000) New Ordinary Voting Shares of the Company at the Share Issue Price LKR 8/-.

### 3.2 Nature of the New Ordinary Voting Shares

The Offered Shares shall, upon allotment, rank equal and *pari passu* in all respects with the existing Ordinary Shares of the Company and each New Share shall confer on the holder thereof the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in any dividend that may be paid by the Company after the allotment of the Offered Shares and the right to an equal share in the distribution of the surplus assets of the Company in a liquidation.

### 3.3 Size of the Issue

If fully subscribed, the Issue will raise Rupees Two hundred and fifty Million (LKR 250 Million).

### 3.4 Share Issue Price

The Share Issue Price for Ordinary Voting Shares will be Sri Lankan Rupees Eight (LKR 8.00) per share. The Board of Directors of Luminex is of the opinion that the Share Issue Price is fair and reasonable to the Company and to all existing shareholders of the Company.

The Share Issue Price was determined by the Company in consultation with the Financial Advisors and Managers to the Issue, Navara Capital Limited, based on the Independent Valuation report prepared by BDO Consulting (Pvt.) Ltd., in line with the Rule 3.1.4c of the CSE Listing Rules. A copy of the Independent Valuation report is enclosed as Annexure II of this Prospectus. The Net Asset Value per share of the Equity (NAV) is Rs.6.86 and Offer Price is 1.16 times the NAV.

Given below is the summary of the valuation based on the methods used for the purposes of arriving at the value of the Shares as detailed in the Independent Valuation report which is enclosed as Annexure II of this Prospectus.

Applicants should read the following summary with the risk factors included under Section 09 of this Prospectus and the details of the Company and its financial statements included in this Prospectus.

**TABLE 3.1 - SUMMARY OF VALUATION**

Valuation Method	Value per Share (LKR)	(Discount)/Premium compared to the Issue Price of LKR. 8.00
<b>Market Approach</b>		
Price to earnings Method	17.51	(54%)
Price to Book value Method	6.86	17%
<b>Income Approach</b>		
Discounted Cash flow Method	9.29	(14%)
<b>Average Share Price</b>	<b>11.22</b>	<b>(29%)</b>

Source: Independent Valuation Report Annexure II

As per the independent Valuation report, value range of shares of the Luminex Ltd. is between LKR 6.86 and LKR 17.51. The IPO price is at a discount of 54% based on the Price to earnings valuation method, 14% discount based on the Discounted Cash flow method and a premium of 17% based on the price to book value method.

The average price of LKR 11.22 derived from the above methods is a discount of 29% and this discount has been offered for the IPO investors to provide an upside on their investment.

### 3.4.1 Quantitative Factors

The following quantitative aspects were also taken into consideration;

**TABLE 3.2 - EARNINGS PER SHARE (EPS) , RETURN ON EQUITY (ROE) AND PE RATIO**

For the Period Ended	Earnings per Share (LKR)*		Return on Equity (%) ***	P/E on offer price (X)	
	Based on the Shares as at Year End (Basic EPS)	Diluted EPS **		Based On Basic EPS	Based On Diluted EPS
March 31, 2017 – Audited	110.29	1.84	41%	0.07	4.35
March 31, 2018 – Audited	20.54	0.34	8%	0.39	23.37
March 31, 2019 – Audited	15.40	0.26	6%	0.52	31.17
March 31, 2020 – Audited	23.50	0.39	8%	0.34	20.42
March 31, 2021 – Audited	24.61	1.25	21%	0.33	6.50
<b>Average</b>	38.87	0.82	16.8%	0.33	17.16
As at 30 <sup>th</sup> Sep 2021- (for 06 Months Earnings)	1.20	1.20			
As at 31 <sup>st</sup> March 2022- Using 06 months annualized Earnings	2.39	2.39			3.34

Source: Audited Financial statements of the company

\* Earnings Per Share = Net profit attributable to equity shareholders/Weighted average number of equity shares outstanding during the year or period

\*\* No of shares as of 30<sup>th</sup> July 2021 which includes the reserve capitalization of 16Mn shares on 18<sup>th</sup> February 2021 and share split which was carried out on 16<sup>th</sup> July, 2021 in the ratio of 1:12, and the EPS has been adjusted for the same

\*\*\* Return on Equity = Net profit after tax/ Net assets as at the end of the year or period

### Price Earnings Ratio (P/E)

The P/E in relation to the Ordinary Voting Share Issue Price of LKR 8.00

- Based on the basic EPS of LKR 24.61 for the year ended 31<sup>st</sup> March 2021, the P/E is 0.33 times.
- Based on the diluted EPS of LKR 1.25 for the year ended 31<sup>st</sup> March 2021, the P/E is 6.50 times.
- Based on the average EPS of LKR 38.87, the P/E is 0.21 times
- Based on the annualized diluted EPS of LKR 2.39 for the six (06) months ended 30<sup>th</sup> September 2021, the P/E is 3.34 times.
- The P/E range of the industry peer is as given below;

**TABLE 3.3 INDUSTRY P/E**

As at 30 <sup>th</sup> September, 2021	Name of the Company	P/E as at 30 <sup>th</sup> September 2021
Peer	Access Engineering PLC	9.66 *
Sector	Capital Goods	17.72**

\* Independent Valuation Report – Annexure II- P/E as at 30<sup>th</sup> Sept. 2021

\*\*Colombo Stock Exchange Stock market daily 30<sup>th</sup> Sept. 2021 Sector Classification – Capital Goods

The above industry peer entity is the only closest comparable peers from the entities listed on the CSE under Capital Goods Sector of the CSE compared to the nature of the business. Serendib engineering Group PLC is eliminated from the comparison due to negative financial performance which results in Negative PE.

The closing prices published by CSE as at 30<sup>th</sup> September 2021 and earnings of TTM preceding 31st March 2021 as disclosed in published financial statements have been considered for this comparison.

**Net Asset Value (NAV) and Price to Book Value (P/BV)**

- Based on NAV per Share of LKR 5.98 as per the latest audited financial statements as at March 31, 2021, P/BV of Luminex is 1.34 times.
- Based on the NAV per share of LKR 6.90 as per the interim financial statements as at September 30 2021, P/BV of Luminex is 1.16 times
- The post-IPO NAV per Share amounts to LKR 6.19, based on the adjusted NAV as at March 31, 2021 and number of Ordinary Shares in issue assuming full subscription of the Offered Shares.
- Offer price is LKR 8.00
- Industry P/BV is given as below;

**TABLE 3.4 NAV PER SHARE, P/BV AT SHARE OFFER PRICE**

As At	Net Asset Value (LKR.)	Net Asset Value per Share (LKR)	P/BV at Share Offer Price (x)
31 <sup>st</sup> March 2020	1,164,817,999	4.85	1.65
31 <sup>st</sup> March 2021	1,435,128,916	5.98	1.34

**TABLE 3.5.1 INDUSTRY P/BV DETAILS AS AT 30<sup>th</sup> September 2021**

Particulars	Name of the Peer Entity	P/BV (x)
Peer	Access Engineering PLC	0.99
Sector	Capital Goods	1.11

Source: Source – Independent Valuation Report – Annexure II/Colombo Stock Exchange- Stock market daily 30<sup>th</sup> Sept. 2021

**TABLE 3.5.2 PEER ENTITY FINANCIAL RATIOS**

Peer company	Net Asset Value per Share (LKR) Audited	Earnings per Share (EPS) Audited	P/E Audited	Return on Equity Audited
Access Engineering PLC	23.83	2.39	9.25	9.00%

Source Colombo Stock Exchange /<https://www.cse.lk/> Date:25/1/2022 Audited Financial statements as of 31<sup>st</sup> March 2021

### 3.4.2 Qualitative Factors

The following qualitative factors were considered by the Company when arriving at the Share Issue Price;

- Long standing close relationship with the Telecom sector
- The company credibility and corporate leadership built over 35 years
- ISO 9001:2015 certified company
- Strong business diversification into high potential growth sectors of MEP civil, water etc.
- Strategic service center network covering all parts of the Island
- Growth potential and expectations in the telecom engineering industry due to high demand in 4G/5G telecommunication infrastructures.
- Highly experienced, qualified and dedicated management and workforce
- Strategic decision to have a fully operational presence in telecom and electrical engineering in the middle east.

### 3.5 Purpose of Listing & Objectives of the Issue

The proceeds of the IPO will be utilized to enhance the working capital base of the company. This would support the anticipated growth in working capital requirement in line with the forecasted business volume growth that the company intends to achieve and reduce the need for increased reliance on borrowings. The anticipated business volume in terms of revenue composition is tabulated below;

**TABLE 3.6.1 Forecasted business volume**

	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026
Forecasted Revenue LKR.	4,290,788,522	4,934,406,800	5,674,567,821	6,525,752,994

Source: The company / Financial forecast- Valuation report- Annexure II

The total working capital of the company as at 30<sup>th</sup> September 2021 was LKR 1,435.36 Mn and projected to be LKR 1,847.00 Mn at the end of the financial year 30<sup>th</sup> June 2022. Hence the increase in working capital is projected to be LKR 411.64Mn. Proceeds from the IPO is expected to fund LKR 250Mn whereas the balance is expected to be funded from internally generated funds of the company. The proceeds from the IPO will be utilized for the working capital requirements as follows;

**TABLE 3.6.2 UTILIZATION OF FUNDS**

	Total		Period after the Listing		
	Rs.	Rs.	Month -01	Month -02	Month -03
			Rs.	Rs.	Rs.
<b>Expected Cash Inflow From IPO</b>	<b>250,000,000</b>				
<b>Utilization of IPO Funds</b>					
<b>01. Accelerated Expansion of Fiber Access Network with Sri Lanka Telecom (Under the Supplier Credit Terms)</b>					
Cost of Services	30,000,000	30,000,000	-	-	-
Purchases of Items for the project	120,000,000	40,000,000	40,000,000	40,000,000	40,000,000
	<b>150,000,000</b>	<b>70,000,000</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>40,000,000</b>
<b>02. Water projects</b>					
Karagoda Project-Materials	10,000,000	5,000,000	2,500,000	2,500,000	2,500,000
Karagoda Project- Services	10,000,000	5,000,000	3,000,000	2,000,000	2,000,000
Basnagala Project-Materials	25,000,000	10,000,000	10,000,000	5,000,000	5,000,000
Basnagala Project- Services	15,000,000	7,500,000	5,000,000	2,500,000	2,500,000

<b>Rathmalkandiya Project-Materials</b>	25,000,000	10,000,000	10,000,000	5,000,000
<b>Rathmalkandiya Project-Services</b>	15,000,000	7,500,000	5,000,000	2,500,000
	<b>100,000,000</b>	<b>45,000,000</b>	<b>35,500,000</b>	<b>19,500,000</b>

In addition to the above, the listing would facilitate the company to broad base the ownership while meeting the 'Public Holding' requirements of the CSE, which would also strengthen the market standing of the Company. The continuing listing requirements of the CSE will further strengthen the governance structure and transparency thus contributing to the sustainability and long-term growth of the company.

There is no minimum level of subscription to be raised with regard to meeting any the objectives mentioned above. In the event the required proceeds are not raised, the Company will meet the funding requirements through internally generated funds and/or borrowings.

Luminex does not require to obtain approval from any other regulator other than CSE for the Issue and no other approvals are required with regard to the objectives of the Issue.

In the event the Company decides to utilise proceeds of the IPO for any related party transactions, such utilisation would be carried out in compliance with Section 9 of the CSE Listing Rules by obtaining the requisite approvals from the Related Party Transaction Review Committee (RPTRC) prior to carrying out such transactions. Details with regard to the composition of RPTRC are disclosed under Section 6.5.3 of the Prospectus. The utilisation of the funds raised through IPO will not amount to a major transaction as per the Companies Act No. 07 of 2007.

#### **Benefits to the IPO Investors from the Objectives of the Issue**

- Enhanced working capital position of the company, supporting growth in business volumes which will be reflected in the future financial statements of the company.

#### **Specific Risks Relating to the Objectives of the Issue**

There are no specific risks associated with the objectives other than what it disclosed under Section 09.

Given the nature of the objectives, business and the pipeline of projects, the Company does not foresee any deviations from its objectives or delays in deploying the funds raised via the IPO as mentioned above. However, if the funds raised via the IPO is utilised for any purpose, other than the purposes mentioned above, the Company will make necessary disclosures to the shareholders via the CSE and take necessary steps to obtain the approvals of the relevant parties including the shareholders as appropriate at that point in time.

Luminex expects the IPO proceeds will be fully utilized for the stated objective on or before 30/6/2022 and undertakes to disclose the progress of the utilization of proceeds in all of their future interim and annual financial statements, until funds are fully utilized for the respective objectives stated in the Prospectus in the format outlined below.

**TABLE 3.7 CONTINUOUS DISCLOSURE REGARDING STATUS OF UTILISATION OF FUNDS RAISED VIA IPO**

Objective Number	Objective as per Prospectus	Amount Allocated as per Prospectus in Rs.	Proposed Date of Utilisation as per Prospectus	Amount Allocated from Proceeds in Rs. (A)	% of Total Proceeds	Amounts Utilised in Rs. (B)	% of Utilisation Against Allocation (B/A)	Clarification if not fully utilised including where the funds are invested (eg: whether lent to related party/s etc)

In the event the proceeds raised are fully utilized in terms of the objectives disclosed in the Prospectus the Company shall disclose the fact in the immediate succeeding annual report or the interim financial statements, whichever is published first.

In the event there is a delay in the utilisation of the funds raised for the purposes mentioned above, such funds will be invested in the short-term repo at the prevailing market rates at the time of investing.

Further, If IPO proceeds are not utilised for objectives under Section 3.5 due to events beyond the control of the Company, prior to using the IPO proceeds for other purposes, a market announcement will be made via CSE and all required approvals from relevant parties including shareholder approval, will be sought for the deviation from the stated objectives.

### **3.6 Listing**

This offer comprises of Thirty one million two hundred and fifty thousand (31,250,000) New Ordinary Voting Shares of the Company. If fully subscribed, the New Shares will amount to 11.52% of the Issued and Paid-up Ordinary Shares of the Company, subsequent to the offer.

An application has been made and approved in principle by the CSE for permission to deal in and for a listing of Two hundred and seventy-one million Two hundred and fifty thousand (271,250,000) Ordinary Voting Shares being the entirety of the Shares constituting the Stated Capital of the Company resulting after the Offer for Subscription. However, the CSE reserves the right to withdraw such approval granted for the listing of the Shares mentioned above, in the circumstances set out in Rule 2.3 of the Listing Rules of the CSE.

Luminex has already complied with Rule 2.1.2(ii)(a), Rule 2.1.2(ii)(b) , and Rule 2.1.2(ii)(d) of the CSE Listing Rules.

It is expected that the Company will meet the minimum public holding requirement set out in CSE Listing Rules 2.1.2. (ii) (c), which requires that 10% of the total number of shares for which a listing is sought should be in the hands of a minimum number of 200 public shareholders on the completion of the Issue pursuant to which the listing of the entire Ordinary shares of the Company will take place on the Diri Savi Board of the CSE. The current Pre-IPO Public shareholding is 0%. If the Issue is fully subscribed by Public shareholders, the shares offered via the IPO will amount to 11.52% of the total Issued Ordinary Shares of the Company subsequent to the Issue. This will result in a Post-IPO Public shareholding of 11.52%.

The minimum public holding requirement for the Diri Savi Board stipulates that, if the Float Adjusted Market Capitalization of the Company is less than LKR 1 Bn, 10% of the total number of shares for which a listing is sought should be in the hands of a minimum number of 200 public shareholders, while the minimum public holding percentage should be 7.5% if the Float Adjusted Market Capitalization of the Company is a minimum of LKR 1 Bn. With regard to the above requirements the total number of shares for which a listing is sought should be in the hands of a minimum number of 200 public shareholders.

In the event the Issue is being undersubscribed and thereby the Company being unable to fulfill the minimum public holding requirement as per Section 2.1.2 of the Listing Rules, the Company will return all monies received from the Applicants for subscription of the Ordinary Voting Shares within Eight (08) Market Days from the Issue Closing Date and in such event the Ordinary Voting Shares of the Company will not be listed on the CSE.

It should be noted that the aforesaid public holding requirements would be calculated by considering all Shares that are freely tradable, on the Date of Listing.

The shares mentioned in Section 8.3 will be locked in to be in compliance with CSE Listing Rules 2.1.1(d) and will not be available for trading. Refer Table 8.6 of this Prospectus for further information.

### **3.7 Cost of the Offering**

The total costs associated with the Offering are estimated to be approximately LKR 14.2 Mn. These include all direct costs and expenses associated with the Issue, inclusive of but not limited to, the initial listing fees to the CSE; issue management fees payable to the Financial Advisor and Manager to the Issue; brokerage commission; fees for the registrar function; legal, consultancy and accountancy fees; advertising, promotional and printing costs. Total estimated cost is approximately 5.68.% of the IPO proceeds. The cost will be met from internal funds of the company.

### 3.8 Brokerage

Brokerage at the rate of zero decimal five per centum (0.50%) of the value of the Shares will be paid in respect of the number of New Shares allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a member/trading member of the CSE, the finance advisor and manager to the issue or any other intermediary appointed by the Company involved in the marketing of the Issue.

### 3.9 Minimum Subscription and Underwriting

There is no minimum amount required to be raised in this Issue.

No underwriting arrangement has been made by the Company for this Share Issue.

In the event the Offer is undersubscribed, the subscribers shall be allotted/allocated in full and funds raised via the Offer for Subscription together with internally generated funds shall be utilised to meet the objectives as set out in Section 3.5 of this prospectus.

### 3.10 Opening of the Subscription List and Closure Date

The Subscription List for the shares offered will open at 9.00 a.m. on 26<sup>th</sup> April 2022 and shall remain open for fourteen (14) market days until closure at 4.30 p.m. on 18<sup>th</sup> May 2022.

In the event of an over subscription of the offered Shares prior to the closing date, the Company shall inform the CSE in writing immediately of such fact and the subscription list shall be closed on the same day at 4.30 p.m., with written notification to the CSE. Accordingly, the Earliest Issue Closing Date shall be Issue Opening Date (i.e. 26<sup>th</sup> April , 2022).

Furthermore, The Board of Luminex reserves the right to close the subscription list on any Market Day within the period of fourteen (14) Market Days, irrespective of whether the Issue is oversubscribed or not, by providing one (01) Market Day's prior notice to the CSE.

### 3.11 Inspection of Documents

Following documents will be made available for inspection by the public during normal working hours at the Registered Office of the Company, No. 24, New Galle Road, Moratuwa for a period not less than fourteen (14) Market Days as per Rule 3.1.19(a) of the CSE Listing Rules.

- ❖ The Articles of Association
- ❖ Auditor's Reports and Audited Financial Statements for the five (05) financial years ended March 31, 2021 (i.e the five (05) financial years immediately preceding the date of this Prospectus)
- ❖ Report on Limited Review of Interim Financial Statements for the three (06) months ended September 30, 2021 of the Company
- ❖ The Valuation report by the Independent Valuer
- ❖ Material contracts, management agreements and all other relevant documents
- ❖ The Report on factual finding on the GAP analysis

The Prospectus, Application Form, Articles of Association of the Company and Audited Financial Statements of the Company will be available on the website of the CSE ([www.cse.lk](http://www.cse.lk)), on the website of the Company ([www.luminexpl.com](http://www.luminexpl.com)), and on the websites of the Managers to the Issue ([www.navaracapital.com](http://www.navaracapital.com)) for a period of not less than fourteen (14) Market Days as stipulated in Rule 3.1.19(b) of the CSE Listing Rules.

The Independent Valuation report prepared by BDO Consulting Private Limited, will be available on the website of the CSE ([www.cse.lk](http://www.cse.lk)) on the Company website ([www.luminexpl.com](http://www.luminexpl.com)), and on the websites of the Managers to the Issue ([www.navaracapital.com](http://www.navaracapital.com)) from the date hereof, for a period not less than two (02) months as stipulated in Rule 3.1.19(c) of the CSE Listing Rules.

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## 4.0 PROCEDURE FOR APPLICATION

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### 4.1 Eligible Applicants

**Applications are invited from the following categories of persons, having a Valid Account in the Central Depository System (Private) Limited (CDS Account):**

- a) Citizens of Sri Lanka who are resident in or outside Sri Lanka and above 18 years of age; or
- b) Companies, corporations or institutions incorporated or established within Sri Lanka; or
- c) Corporate bodies incorporated or established outside Sri Lanka; or
- d) Approved unit trusts licensed by the SEC; or
- e) 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); or
- f) Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- g) Global, regional and country funds approved by the SEC.

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.

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

**Applications submitted under the Unit Trust Applicant Category should conform to the criteria defined by the SEC Directive dated June 06, 2011 (Ref: SEC/LEG/11/06/01) and CSE Listing Rules, 2.1.1(g)(ii)(b).**

Eligible Applicants may fall into one of the following categories.

- ❖ Retail Individual Applicant Category
- ❖ Unit Trust Applicant Category
- ❖ Non-Retail Applicant Category

Please refer Section 4.2.1 for the definitions of the aforementioned categories.

### 4.2 The Procedure for Application

Applicants applying for Offered Shares should submit their Applications in the manner set out below as applicable to you.

#### i. Physical Delivery

The Prospectus and Application Form will be available free-of-charge from the collection points listed under Annexure VIII in this Prospectus. The Prospectus and the Application Form can also be downloaded from **www.cse.lk, www.luminexpl.com and www.navaracapital.com**. The Digital Application Form will be available via **www.cse.lk, www.luminexpl.com and www.navaracapital.com**.

Please refer Section 4.2.8 for submission of Application Forms.

#### ii. CSE Mobile App

Applicants who register with the CSE Mobile App, may complete the Application Form through such Mobile App, follow the instructions set out in the said Mobile App, and submit their Applications as per the instructions. Submission of digital Application Forms through such CSE Mobile App is limited to both citizens of Sri Lanka who

are resident in or outside Sri Lanka and are above 18 years of age and, Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas) only.

**The CSE Mobile App, currently, does not facilitate Applications made through Powers of Attorney (POA), Margin Trading, Joint Applicants and the categories referred to in Section 6.1 sub-sections ii, iii, iv, v and vii to apply. Therefore, such Applicants may send their Applications as disclosed above.**

**Important: Please note that applicants must complete the payment as instructed in the CSE Mobile App.**

### iii. CDS Web Portal

The applicant can use the online application web portal accessible via <https://ipo.cse.lk/> or [www.cds.lk](http://www.cds.lk) or <https://www.linkedin.com/company/cds-srilanka>

**Only Resident and non-resident individual applicants who have a valid CDS account at the time of application can apply via the web portal. This option is NOT permitted for applicants applying via margin trading accounts, power of attorney, joint applicants, foreign citizens, corporate bodies and unit trusts.**

The applicant must comply with the instructions stated on the web portal when submitting the online application.

**Important: Please note that applicants must complete the payment as instructed in the CSE Mobile App.**

**Any application submitted without a valid CDS account will be rejected**

Users must first register for the web portal and read the instructions given on the web portal carefully and click on “Apply Now” option. Users will be directed to a page to self-register and create a login by validating their mobile number and email address. Once the user log-in to the web portal the application can be completed via the CSE eIPO portal and submit the same.

#### 4.2.1 How to Apply

**APPLICANTS SHOULD APPLY ONLY THROUGH ONE APPLICANT CATEGORY (INCLUDING JOINT APPLICANTS) AND WOULD BE PERMITTED TO SUBMIT ONLY ONE APPLICATION FORM. TWO OR MORE APPLICATIONS SUBMITTED BY THE SAME APPLICANT, EITHER UNDER THE SAME CATEGORY OR DIFFERENT CATEGORY WILL BE CONSTRUED AS MULTIPLE APPLICATIONS AND WILL BE REJECTED.**

Applicants must apply for the Shares on the Application Form, which constitutes part of this Prospectus. The Application Form should be legibly completed and be received by the Registrars to the Issue.

#### **Retail Individual and Non-Retail Applicant Category**

Applicants falling under the **Retail Individual and Non-Retail Applicant Categories** should apply for the Shares on the Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available from the collection points listed in Annex V and can also be downloaded from [www.cse.lk](http://www.cse.lk), [www.luminexpl.com](http://www.luminexpl.com) and [www.navaracapital.com](http://www.navaracapital.com). **Exact size copies of the Application form printed will also be permissible under the Retail Individual and Non-Retail Applicant Categories.** The completed Application Forms should be submitted to the Registrars to the Issue.

For the purposes of this Rule 2.1.1 (g) (ii), An individual investor who subscribes for a maximum of Twelve thousand five hundred (12,500) shares or a value of not more than Rupees Hundred Thousand (Rs. 100,000/-) will be deemed as Retail Individual investors for share allotment purposes.

## **Unit Trust Applicant Category**

Applicants applying under the **Unit Trust Applicant Category** must apply for the Shares using the same Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available through the registered office of the Company, No. 24, New Galle Road, Moratuwa, and Managers to the Issue, Navara Capital Limited, No 487/10, Thimbirigasyaya Road, Colombo 05. **Exact size copies of the Application form printed will also be permissible under the Unit Trust Applicant Category.** Only one Application should be made by an Applicant under the **Unit Trust Category**. The completed Application Forms should be submitted directly to the Managers to the Issue who will forward the same to the Registrars to the Issue.

**Applications submitted under the Unit Trust Applicant Category should submit a confirmation by the trustee confirming that such unit trust is in conformity with the criteria defined by the SEC Directive dated June 06, 2011 (Ref: SEC/Leg/11/06/01) and CSE Listing Rules, 2.1.1(g)(ii)(b).**

Applicants applying under all the categories should submit their Application Forms to the Registrars to the Issue in terms of Section 4.2.8.

An Applicant of a Joint Application, applying through another Application Form is deemed to have made multiple Applications and will be rejected.

An Applicant who has made an Application under a margin trading account should not apply individually or jointly on a separate Application Form. Such Applications will also be construed as multiple Applications and will be rejected.

Subject to the above, the Company/Managers/Registrars to the Issue reserve the right to reject multiple Applications and suspected multiple Applications which are not allowed or to accept only one Application Form at their discretion.

***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, for whatsoever reason.***

***Please note that Applicant information such as full name, address, NIC number/passport number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information shall take precedence over information provided in the Application Form.***

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

***Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.***

**PLEASE NOTE THAT AN ALLOTMENT OF SHARES WILL ONLY BE MADE IF YOU HAVE A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.**

Applicants have the option of having their Shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participant. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

#### **Operation of a 'locked' balance in the CDS**

In order to preserve the confidentiality of shareholder information and to ensure that securities are not made available for trading for those shareholders who do not want to trade the securities, the CDS provides a mechanism where securities can be 'locked' in the CDS account.

The CDS maintains two balances for each CDS account, namely a 'trading' balance and a 'locked' balance. The trading balance would be visible to the CDS participant and all dealings and trading would be permitted on the said trading balance, as done normally.

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

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

#### **4.2.2 Number of Shares Applied**

**Application should be made for a minimum of One Thousand (1,000) Shares for a value of Sri Lankan Rupees Eight thousand (LKR 8,000/-) and in multiples of One Hundred (100) Shares thereof.**

Applications made for less than One Thousand (1,000) Shares or for a number which is not in multiples of One hundred (100) Shares will be rejected and the accompanying cheques, bank drafts or bank guarantees will not be sent for clearing but be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, the first named Applicant. **The cheque or bank draft or bank guarantee should be issued/carried out to the exact value of the number of Shares applied for, multiplied by the Share Issue Price.** Cheques, bank drafts or bank guarantees not conforming to the above requirement will be rejected at the outset.

Please refer Section 4.3 for details with respect to the mode of remittance.

#### **4.2.3 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 an NIC number.

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

**TABLE 4.1 IDENTIFICATION INFORMATION OF THE PROSPECTIVE APPLICANT**

Citizenship/Legal Form	Identification Information			
	NIC Number	Passport Number	Company Registration Number	Common Seal or Rubber Stamp
Sri Lanka Citizens	✓			
Sri Lanka Citizens with no NIC Number*		✓		
Foreign Citizens**		✓		
Corporate Entities***			✓	✓

**\* In the case of Sri Lankan citizens, the passport number will be accepted only when the NIC number is not available. However, the CDS account must be for the same passport number.**

**\*\* Foreign citizens must state the passport number in the space provided.**

**\*\*\* 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.**

**A valid CDS account number must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected. All non-resident Applicants, corporate**

**Applicants and applicants with LI CDS accounts should ensure that the passport number/company registration number and the CDS Identification Number (CDS ID) are stated in the relevant cages of the Application Form. All information about the Applicant (i.e. name, address, nationality and NIC or passport number) will be downloaded from the database of the CDS, based on the number given in the Application Form. In the event of any discrepancy between the information in the CDS and in the Application Form, the information in the CDS shall take precedence.**

**If the CDS account number is not indicated in the Application Form, or the number indicated in the form is found to be inaccurate/incorrect, or the account number indicated is not opened at the time of closing the Offering, such Applications will be rejected, and no allotment of Shares will be made.**

#### **4.2.4 Key Responsibility of a Non-Resident Applicant**

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

#### **4.2.5 Margin Trading**

Applicants who wish to apply through their margin trading account should submit the Applications 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 Shares shall be uploaded to the CDS account indicated 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 an 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. Details of multiple Applications are available under Section 4.2.1.

#### **4.2.6 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 Registrars to the Issue along with the Application Form. **The original POA should not be attached.**

#### **4.2.7 Joint Applications**

If the ownership of the Shares is desired in the name of one Applicant, full details should be given only under the heading, **SOLE/FIRST APPLICANT** in the Application Forms. In the case of joint Applicants, the signatures and particulars in respects of all Applicants must be given under the relevant headings in the Application Form.

Joint Application Forms are permitted only for natural persons not exceeding three Applicants. Joint Applicants should note that there should not be a combination of residents of Sri Lanka and non-residents. An Applicant of a joint Application shall not apply through a separate Application Form either individually or jointly.

#### **4.2.8 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 or RTGS transfer only) for the full amount payable on Application should be enclosed in a sealed envelope marked **“Luminex Limited – IPO”** on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the following address **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

##### **Corporate Solutions Unit**

##### **Central Depository Systems (Pvt) Ltd**

Ground Floor, M&M Center

341/5, Kotte Road, Rajagiriya

Sri Lanka.

Tel: +94 11 2356456 & +94 11 7 420 400

Fax: +94 11 2440396

Applications may also be handed over to the Financial Advisor and Manager to the Issue, Bankers to the Issue and its designated branches, members and trading members of the CSE as set out in Annex VIII **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

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

Applicants applying under the Unit Trust Applicant category should submit their Application Forms directly to the Managers to the Issue.

### 4.3 Payment of Application Monies

#### 4.3.1 Mode of Payments

- (a) Payment in full for the total value of Shares applied for should be made separately in respect of each Application either by direct deposit or by cheque drawn upon or bank draft or bank guarantee issued by, a Licensed Commercial Bank operating in Sri Lanka or RTGS/CEFT/ SLIPS transfer directed through any Licensed Commercial Bank operating in Sri Lanka as the case may be, subject to (b) below. The remittances on Applications will be deposited in a separate bank account in the name of “**Luminex Limited – IPO**”.
- (b) The amount payable should be calculated by multiplying the number of Shares applied for under a particular category by the Share Issue Price of LKR 8.00. If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or amount deposited to IPO account via direct deposit or RTGS/CEFT/SLIPS transfer such Applications will be rejected.
- (c) **Cash will not be accepted.** Anyone wishing to pay cash should obtain a bank draft from a Licensed Commercial Bank in Sri Lanka.
- (d) **Payments for Applications for Shares of a value below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) may be supported by** a cheque, or bank draft or direct deposit or bank guarantee or single RTGS/ CEFT/SLIPS transfer. CEFT/SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (LKR 5,000,000/-) imposed by the CBSL.
- (e) In the case of cheques, bank drafts, direct deposit, RTGS/ CEFT/SLIPS transfer and bank guarantees, Application Forms should be accompanied by only one cheque or bank draft or single direct deposit or RTGS/CEFT/SLIPS transfer (single transfer) or bank guarantee and should be issued for the full amount indicated in the Application Form. Any Application for New Shares of a value below LKR 100,000,000/- accompanied by two or more cheques or bank drafts or direct deposits or RTGS/CEFT/SLIPS transfers or bank guarantees will be rejected at the outset.
- (d) **Applicants making Applications for Shares of a value above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) will be permitted** to submit multiple bank guarantees issued by Licensed Commercial Banks in Sri Lanka or multiple bank drafts drawn upon any Licensed Commercial Bank operating in Sri Lanka, or a single RTGS transfer directed through any licensed commercial bank operating in Sri Lanka; each of which should be for values on the **Issue Opening Date**. Such Applicants are required to attach a list to the Application Form giving details of payment, such as the amount of bank draft/bank guarantee, name of bank, name of branch and bank draft number/bank guarantee number.

**Applications for Shares of a value above Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) accompanied by multiple bank drafts or multiple bank guarantees will not be rejected.**

#### 4.3.2 Cheques or Bank Drafts – Resident Sri Lankan Applicants

Cheques or bank drafts should be drawn on any Licensed Commercial Bank in Sri Lanka and crossed “**Account Payee Only**” and made payable to “**Luminex Limited – IPO**”.

Cheques or bank drafts accompanying Application Forms made for less than One Thousand (1,000) Shares, i.e for a value less than of Sri Lankan Rupees Eight Thousand (LKR 8,000/-) or for a number which is not in multiples of One hundred (100) Shares (as mentioned in Section 4.2.2) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, to the first named Applicant.

In the event that cheques are not realized within two (02) Market Days from the date of presenting the same to the bank for clearing, the Directors reserve the right to reject the Applications and return the Application monies. No allocation of Shares will be made to such Applicants.

**Applicants residing in outstation areas from which cheque clearance may take over two (02) Market Days are advised to make payment via bank drafts to avoid any delays.**

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

#### **4.3.3 Bank Guarantees – Resident Sri Lankan Applicants**

Applications made by resident Sri Lankan applicants backed by bank guarantees presented in line with the requirements set out in Section 4.3.1 will be accepted. Bank guarantees will be presented to the respective banks only after the New Shares have been allotted. Bank guarantees should be issued by any Licensed Commercial Bank in Sri Lanka and in favour of “**Luminex Limited – IPO**” in a manner acceptable to the Company and payable on demand.

**Payments for Applications through bank guarantee would be accepted only for Applications over the value of Sri Lanka Rupees One Million (LKR 1,000,000/-)**

**Bank guarantees should be valid for a minimum of one (01) month from the date of opening of the Offering (i.e. 26<sup>th</sup> April, 2022).**

Applicants are advised to ensure that sufficient funds/facilities are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

#### **4.3.4 Direct Deposits– Resident Sri Lankan Investors**

In case of Applications made using direct deposit via cash/ cheque/ bank draft, such direct deposits should be made to the credit of “**Luminex Limited – IPO**” bearing the account number **003110010434** at **Sampath Bank PLC, (Bank Code 7278) Moratuwa Branch (Branch Code - 031)** prior to 4.30 p.m. local time on the IPO Closing Date. Such direct deposits are subject to a maximum limit of LKR 100,000,000/-. Applicants are required to indicate their NIC Number or CDS account number as payment reference in the deposit slip. A scanned copy of the deposit paying-in-slip, should be uploaded and submitted together with the Application Form prior to 4.30 p.m. local time on the Issue Closing Date

**Important: Applicants submitting applications through CSE Mobile App & CDS Web Portal must complete the payment as instructed in the CSE Mobile App & CDS Web Portal respectively.**

**Applicants who make over the counter bank deposits, should write the CDS account/NIC number of the Applicant in the “Purpose and Source of Funds” section of the relevant bank deposit slips**

#### 4.3.5 RTGS/CEFT/SLIPS Transfers – Resident Sri Lankan Investors

In case of RTGS/CEFT/SLIPS transfers such transfers should be made to the credit of **“Luminex Limited – IPO” bearing the account number 003110010434 at Sampath Bank PLC with value on the Issue Opening Date (i.e. the funds to be made available to the above account/s)**. Applicants are required to indicate their NIC Number or CDS account number as payment reference for RTGS/ CEFT/SLIPS transfers.

In case of RTGS transfers , the Applicants should obtain a confirmation from the Applicant’s bank, to the effect that arrangements have been made to transfer payment in full for the total value of Shares applied for to the credit of **“Luminex Limited – IPO” bearing the account number 003110010434 at Sampath Bank PLC with value on Issue Opening Date (i.e. the fund to be made available to the above account on the Issue Opening Date and should be attached to the Application Form)**.

**Important: Applicants submitting applications through CSE Mobile App & CDS Web Portal must complete the payment as instructed in the CSE Mobile App & CDS Web Portal respectively.**

**When making electronic payment via RTGS/CEFT/SLIPS, applicants must enter the CDS account/NIC number of the applicant in the beneficiary narration/remarks/reference field for identification purposes.**

#### 4.3.6 Foreign Currency Remittances

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;
- ❖ 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 abovementioned Applicants should make their payments using one of the following methods as the case may be.

(a) A foreign Applicant may invest through a “Inward Investment Account” (IIA) maintained with any Licensed Commercial Bank in Sri Lanka. The procedure for arranging payments through an IIA is presented below;

- A Foreign Applicant may use the services of a custodian bank as an intermediary when investing in the Sri Lankan securities market;
- The intermediary may open an IIA, on an Applicant’s behalf;
- In conjunction with the IIA, an account with the CDS must be opened in case the Applicant does not already have a valid CDS account;
- In respect of regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC;
- Payment for Shares should be made through a bank draft or bank guarantee issued by a Licensed Commercial Bank in Sri Lanka against the funds arranged through the IIA and made payable to **“Luminex Limited – IPO”**.

- (b) A foreign Applicant may invest through inward remittances of foreign currency held in a Foreign Currency Banking Unit (FCBU) account of the Applicant maintained with any Licensed Commercial Bank in Sri Lanka. The procedure for arranging payments through an FCBU account is presented below;
- The Applicant should forward the Application Form supported by an unconditional bank guarantee drawn on the Applicant's FCBU account pending allotment of the Offered Shares with confirmation from the LCB that upon notification of the allotment of Shares, the transfer value would be remitted through the Applicant's IIA.
  - Upon allotment of Offered Shares, foreign currency to the extent of the Sri Lanka Rupee equivalent value of Offered Shares allotted would be called on the bank guarantee drawn on the Applicant's FCBU account.
  - The requisite funds would then be credited to an IIA opened in favour of the Applicant via the aforementioned FCBU account. This procedure would protect a prospective Applicant from any losses accruing due to fluctuating exchange rates.
- (c) In addition to the payments made through IIA and FCBU as mentioned above, a foreign citizen resident in Sri Lanka under the Resident Guest Scheme may invest through a Resident Guest Foreign Currency Account (RGFCA) or Resident Guest Rupee Current Account (RGRCA) that Applicants maintain with any LCB in Sri Lanka. An Applicant who wishes to avail him/herself of this facility should make the payment for New Shares through a bank draft or an unconditional bank guarantee in Sri Lanka Rupees or by converting foreign currency funds available in the RGFCA/RGRCA, as the case maybe based on the guidelines provided by the Exchange Control Department of the CBSL, and made payable to "**Luminex Limited – IPO**".

**Cheques or bank drafts or bank guarantees or RTGS transfers should be endorsed by the issuing custodian bank, to the effect that, arrangements have been made to facilitate such payment to be made against funds available in the individual's IIA account. The endorsement must be clearly indicated on the cheque or bank draft or the bank guarantee. Alternatively, a document detailing the endorsement could be submitted along with the payment and Application.**

**Any refund payments to Foreign Applicants are made in terms of Section 4.8 of this Prospectus.**

**Applications supported by foreign currency remittances should be made in conformity with requisite declarations accompanied by the documentation stipulated by the Controller of Exchange of the Central Bank of Sri Lanka.**

#### **4.3.7 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 transfers drawn upon Sri Lanka Rupee accounts maintained with any Licensed Commercial Bank in Sri Lanka but may do so via an IIA account as detailed in Section 4.3.5 above. **Applications made by foreign citizens not in accordance to the foregoing shall be rejected.**

#### **4.4 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 this Prospectus will be rejected at the absolute discretion of the Company/ Managers/Registrars to the Issue.

- ❖ 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 or by courier after 4.30 p.m. Local Time on the Issue Closing Date will be rejected. Applications received by courier/post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Issue Closing Date, will also be rejected even if they carry a courier acceptance date/postmark date earlier than the Closing Date.
- ❖ Applications made for less than One thousand (1,000) Shares or for a number which is not in multiple of One hundred (100) Shares will be rejected.
- ❖ **An Application which does not carry a CDS account number or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list (either at the time fixed for closing or on the date on which the Offering is subscribed), or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment of Shares will be made.**
- ❖ Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.
- ❖ Applicants should apply only through one Applicant category and would be permitted to submit only one Application Form. Two or more Applications submitted by the same Applicant either under the same category or different categories will be construed as multiple Applications and will be rejected.
- ❖ The company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, as mentioned in Section 4.2.1.
- ❖ Payment for Applications New Shares of a value below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/) accompanying two or more cheques, bank drafts or bank guarantees as mentioned in Section 4.3.1, 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.

***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 for any reason.***

#### **4.5 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.

#### **4.6 Returning of Monies on 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 by the bank 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.

#### 4.7 Basis of Allotment

The allotment of the Issued Shares will be made to the various categories of Applicants, as set out below:

**TABLE 4.2 THE BASIS OF IPO ALLOTMENT**

Applicant Category	Percentage of Offer (%)
Unit Trusts *	10%
Retail Individual	40%
Non-Retail	50%
Total	100%

*\* Unit Trust Applicants should be growth or balanced unit trusts operated by managing companies licensed by the SEC, where such unit trusts comprise of not less than 500 unit holders resident in Sri Lanka who together hold at least 50% of that fund as per the Direction issued by the SEC (Ref: SEC/LEG/11/03/36 of 10 March 2011). Only one Application should be made under each category.*

Applications submitted under the Unit Trust Applicant Category should accompany a confirmation by the trustee confirming that such unit trust is in conformity with the criteria defined by the SEC Directive dated June 06, 2011 (Ref: SEC/Leg/11/06/01) and CSE Listing Rules, 2.1.1(g)(ii)(b).

Local and foreign individual Applicant/s who apply for up to a maximum of 12,500 Shares (value of not more than LKR 100,000) will be deemed as Retail Individual applicants for share allotment purposes.

Applicants who do not fall under the Retail Individual Applicant definition stated above will be deemed as Non-Retail applicants for Share allotment purposes. (All corporate bodies incorporated or established in Sri Lanka or outside Sri Lanka, global, regional or country funds approved by the SEC, shall fall under the Nonretail category irrespective of the quantum of Shares applied for).

The Applicant categories have been selected to ensure the broadest possible spread of shareholders while treating all Applicants in a fair manner as may be decided by the Board at its discretion.

In the event of an under-subscription in the Unit Trust Applicant category, the Retail Individual Applicant category shall be given first priority, in allotment of the undersubscribed Shares.

In the event of an under-subscription in the Retail Individual Applicant category, the Unit Trust Applicant category shall be given first priority, in allotment of the undersubscribed Shares.

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

Redistribution will not apply in the event of an oversubscription or undersubscription in all three categories stated above.

Investors who do not fall under the Retail Individual Investor Category and Unit Trusts Investor Category stated above will be deemed as Non-Retail investors for share allotment/allocation purposes.

In the event of an oversubscription, the Board will endeavour to decide the basis of allotment in a fair manner as soon as practicable so as to ensure compliance with the CSE Listing Rules.

Subject to the above, the Board of Directors of the Company will endeavour to decide and announce to the CSE the basis of allotment as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotment being decided, an announcement will be made to the CSE.

**In the event of an over subscription of any one or all three categories mentioned above, the basis of allotment will be decided by the Board of Directors of the Company in a fair and equitable manner.**

#### **4.8 Refunds on Applications**

Where an Application is accepted only in part or rejected in its entirety subsequent to cheques being realized, the balance/entirety of the monies received on Application as the case may be, will be refunded, such refunds will be made on or before the expiry of eight (08) Market Days from the Closure Date (excluding the Closure Date) as required by the CSE Listing Rules.

As required by Section 2.4(l) of the CSE Listing Rules, Applicants would be entitled to receive interest at the rate of last quoted Average Weighted Prime Lending Rate (AWPLR) published during the immediately preceding week by the Central Bank of Sri Lanka (CBSL) plus five per centum (5.00%) for the delayed period on any refunds not made by the expiry of this period.

- ❖ 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 with the instructions of the Registrars 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 and a payment advice will be sent.
- ❖ In the event of refunds over Rupees Five Million (LKR 5,000,000/-), if the Applicant has provided accurate and correct details of his/her bank account refunds will be made via RTGS or 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 refund payments will be made to the Applicant by way of a crossed cheque/s in favour of the Applicant and sent by post at the risk of the Applicant.
- ❖ Funds received via IIA accounts will be refunded via IIA accounts in the event there are refunds to be made.
- ❖ In the event the refund payment is effected via SLIPS or RTGS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such refund payments would be made via a crossed cheque/s in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the Company together with the Registrars to the Issue will send the refund cheques to such Applicants at the earliest possible time and the Applicant should not hold the Company or the Registrars to the Issue accountable for such delays.
- ❖ If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a Joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Applicant Forms.

Please follow the web link given below in order to get your Bank and Branch codes.

**<https://www.lankaclear.com/downloads/bank-branch-directory/>**

#### **4.9 Successful Applicants and CDS Lodgment**

The Shares allotted will be directly uploaded to the respective CDS accounts given in the Application Form before the expiry of twelve (12) Market Days from the Issue Closure Date as requested by the CSE Listing Rules.

A written confirmation, upon the completion of crediting the respective CDS accounts will be sent to the shareholder within Two (02) Market Days of crediting the CDS accounts by ordinary post to the address provided by each shareholder in their respective Applications.

Applicants have the option of having their Shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participant. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

Refer Section 4.2.1 for the definition of 'locked'.

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

Upon the Ordinary Shares being listed on the CSE, such Shares shall be freely transferable except for those Shares mentioned in Section 9.3 of this Prospectus, which will be locked-in to be in compliance with CSE Listing Rules 2.1.1(d).

#### **4.10 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 the Applicants' CDS accounts are credited with the New Shares. Trading of the Ordinary Shares on the secondary market will commence on or before the third (3<sup>rd</sup>) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

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## 5.0 BUSINESS OPERATIONS OF LUMINEX LIMITED

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### 5.1 Overview of Luminex Limited

Luminex Limited is a successful engineering company specializing in the fields of Telecommunication, MEP and Civil engineering. Having been incorporated in 1986, the company has developed expertise in the fields of electrical and telecommunication engineering by keeping abreast with the emerging trends in the relevant fields during the last four decades. This has enabled the company to be a pioneering partner in many telecommunication and engineering projects in Sri Lanka, for which it has been recognized with accolades and awards. The company has built its reputation based on its ability to deliver high quality products and services, personalized customer service and innovation.

Luminex was incorporated as a Private Limited Liability Company on 12/02/1986 under the Companies Act No. 17 of 1982 and re-registered on 19/2/2009 under the Companies Act No. 07 of 2007. The legal form of the company was changed from Private Limited to a Limited Company under provisions of the Companies Act No. 07 of 2007 on 06/08/2021.

The company specializes in the fields of Extra Low, Low and Medium Voltage and Telecommunication and electric Engineering and is one of the few companies in Sri Lanka to receive the Construction Industry Development Authority (CIDA) grading of EM 1 in its related areas of activity. Today the organization has 578 direct employees and over 370 indirect employees via subcontractors.

The Company has been certified by the Institute of Construction Training and Development (Now CIDA and the Ministry of Engineering & Construction Development in Sri Lanka. It has also obtained the ISO 9001: 2015 Quality Management Certification awarded by DET NORSKE VERITAS (DNV).

In order to support its activities, the Company possesses a complete fleet of projects vehicles, modern plant & machinery, tools & equipment, office premises and storage facilities in warehouses and sub area stores.

Head Office is situated in the heart of Moratuwa town, bordering New Galle Road, with state-of-the-art IT facilities. In order to ensure smooth operational practices in the field, the company has 8 fully pledged branch offices in the cities of Colombo, Kalutara, Galle, Matara, Kurunegala, Chilaw, Negombo and Jaffna supported by 29 project offices giving Luminex extensive island wide coverage

Luminex Limited is a separate legal entity which does not have any parent, subsidiary or associate companies.

## Vision of the company

“To be the most preferred company in providing total engineering and construction solutions in Sri Lanka and the region”

## Mission of the company

“To provide high quality total engineering and construction solutions to the utmost satisfaction of the client, at a very competitive price, within a specified time, using state-of-the-art technology using a dedicated and competent staff”.

## Core values of the company

FIGURE 5.1 CORE VALUES OF THE COMPANY

### Quality & Service Excellence

We deliver high quality products along with pioneering ideas and an exceptional service that exceeds customer expectations.

### Teamwork

We value our Human Resources and recognize them as our esteemed assets. We constantly train and develop them whilst providing them with every opportunity to grow to their full potential .

### Integrity

We are committed to honesty and fairness in all our dealings and practice the highest ethical standards in the industry.

### Originality

We inspire each project with vision and ingenuity, thereby making each of them innovative, exclusive and outstanding.

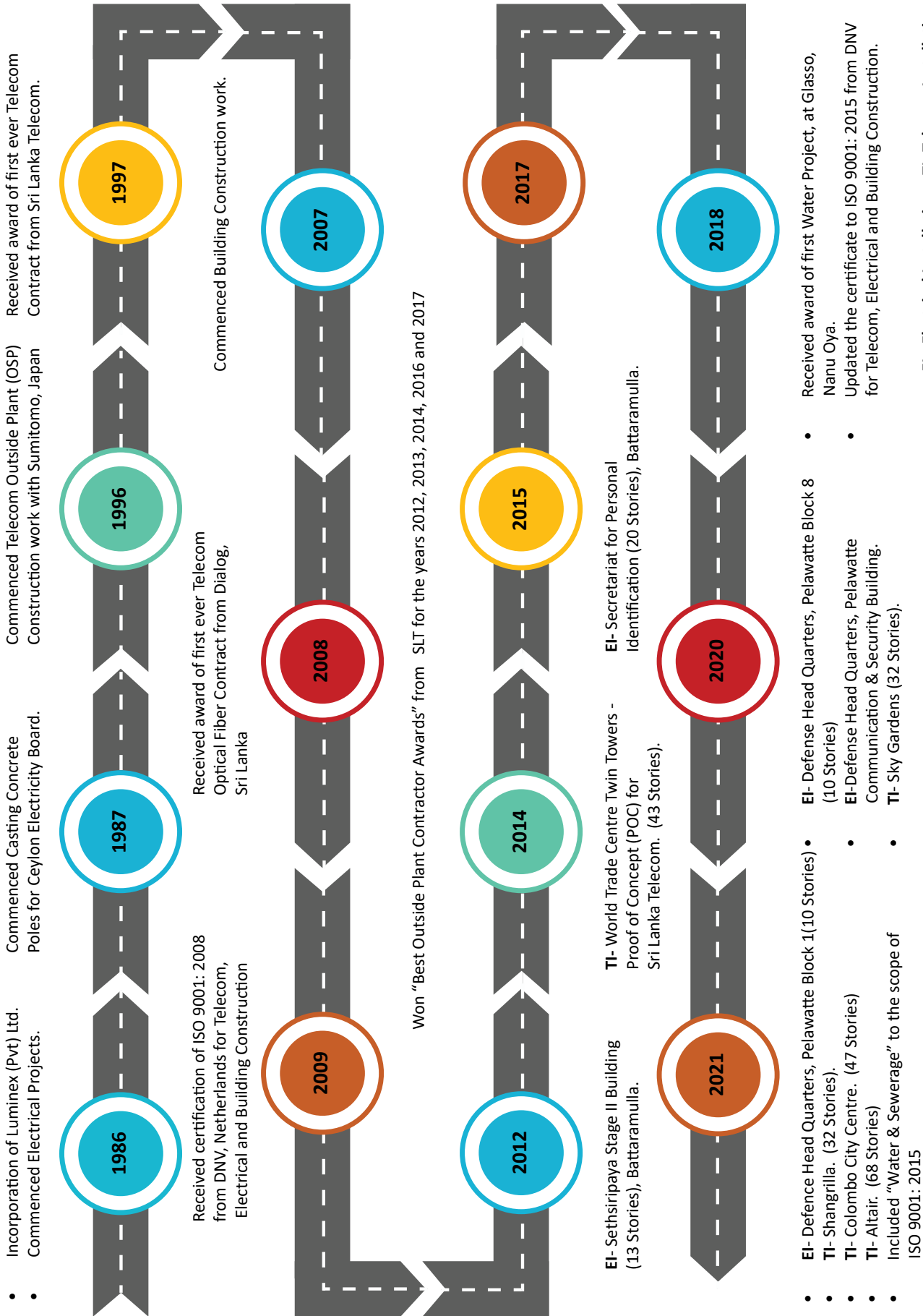
### Commitment

We promise to fulfill our obligations to the best of our ability, thereby building sustainable relationships with our clients.

### Safety

We place great emphasis on environmental and work place safety by employing industrialized and personal safety methods, applied practically to protect our work force. We do not compromise or overlook our responsibility in keeping our people safe.





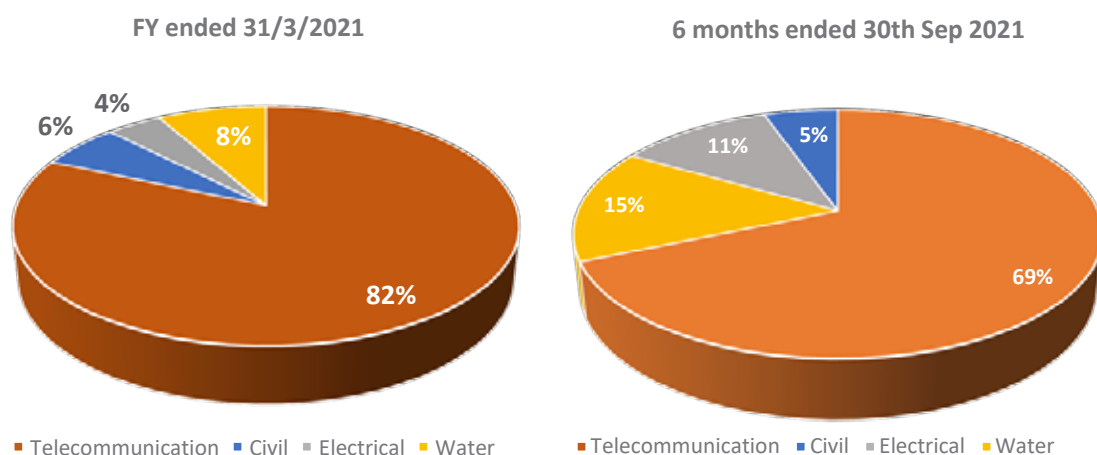
EI - Electrical Installations, TI- Telecom Installation

## 5.2 Project and Service Portfolio

The products are mainly classified under 3 categories as detailed below.

- a) Telecommunication Engineering
- b) MEP solutions (Mechanical Engineering, Electrical Engineering and Plumbing Engineering)
- c) Civil Engineering and water

FIGURE 5.3 REVENUE COMPOSITION OF THE COMPANY



Source – The company Management

### Telecommunication Engineering

Luminex is one of the specialists in Telecommunication Outside Plant Constructions. The company is geared to handle all different types of technology used in the industry. Sri Lanka Telecom (SLT) is one of the key clients, whom Luminex has served continuously since 1997 up to now. In addition, the company serves the other leading telecom operator, Dialog Axiata PLC since 2008. Luminex specialize in the laying of Fiber Optic Cables by using trenchless technology and state-of-the-art-machinery such as Micro Trenching & Horizontal Directional Drilling (HDD). In order to keep up with the new developments in this rapidly advancing industry, Luminex closely network with international organizations and forums, which helps to identify, innovate and initiate pioneering products and services.

Luminex is one of the premier network construction contractors in Sri Lanka. The Company has designed and constructed most of the fibre optic networks for Dialog Axiata PLC, one of the leading telecommunication service providers in Sri Lanka. Luminex has been graded EM1 (Highest grading by CIDA) and authorized to undertake all types of Telecom Engineering projects without any size restrictions.

Sources : Construction Industry Development Authority:

[https://www.cida.gov.lk/sea\\_con/search\\_name\\_con\\_1.php?id=EM/0014 / 08.01.2022/ 12.21 hrs](https://www.cida.gov.lk/sea_con/search_name_con_1.php?id=EM/0014 / 08.01.2022/ 12.21 hrs).

The division is headed by a chartered engineer with a team of experienced engineers and trained staff.

Within the last ten years the company has completed and handed over more than 850 telecom engineering projects.

The range of services includes;

- ❖ Comprehensive surveying.
- ❖ Feasibility Studies.
- ❖ Laying of Fiber Optic Cable for both aerial and underground, by using Modern Technology.
- ❖ Optical fiber Splicing and jointing.
- ❖ Laying of Copper Cable for both aerial and underground.

- ❖ Developing all types of telecom outside plants.
- ❖ Rehabilitating and maintaining of telecom outside plant.
- ❖ Daily Clearing of all types of subscriber faults.
- ❖ Installation of new subscriber lines and remote switching systems.
- ❖ Providing Fibre To The Home (FTTH) connections.
- ❖ Providing IP TV.
- ❖ Relocation of telecom plant to facilitate road widening projects.
- ❖ Civil works associated with Network Construction.

Within the last ten years the company has completed and handed over more than 850 telecom engineering projects. The ongoing project are given in the table below;

**TABLE 5.1 ONGOING PROJECT DETAILS AS OF 31<sup>ST</sup> DECEMBER 2021 – TELECOM ENGINEERING**

Category	Sub Category	Name of client	Title of Contract	Total Value (without VAT) LKR	% Completed	Value of Work to be completed LKR
Telecom	OSP	Sri Lanka Telecom	Accelerated FTTH Project	421,804,167	95%	21,090,208
	OSP	Sri Lanka Telecom	OSP project - SC Basis	105,000,000	75%	26,250,000
	OSP	Dialog Broadband Networks	DBN OFN NW development projects	500,000,000	90%	50,000,000
	OSP	Sri Lanka Telecom	Accelerated FTTH Project Phase 4	2,585,000,000	32%	1,757,800,000
			<b>Sub Total -Telecom</b>	<b>3,611,804,167</b>		<b>1,855,140,208</b>

*OSP – Outside Plant Construction engineering solutions*

### **MEP solutions (Mechanical Engineering, Electrical Engineering and Plumbing Engineering)**

This division caters to product categories of Mechanical Engineering, Electrical Engineering and Plumbing Engineering for buildings. The division is headed by a Chartered Electrical Engineer who has more than 20 years of experience in the trade with well experienced Project staff include Electrical/ Electronics, civil and Mechanical Engineers as well as Project experienced trained staff.

Luminex has been graded EM1 (highest grading at CIDA) for electrical installations. The division counts over 20 years of experience in the MEP in the following fields.

*Sources : Construction Industry Development Authority:*

*[https://www.cida.gov.lk/sea\\_con/search\\_name\\_con\\_1.php?id=EM/0014 / 08.01.2022/ 12.21 hrs.](https://www.cida.gov.lk/sea_con/search_name_con_1.php?id=EM/0014 / 08.01.2022/ 12.21 hrs.)*

- ❖ Installation of Transformers & Switch Gear Systems.
- ❖ Laying of Power Distribution Cables HV & LV Overhead & Underground.
- ❖ Industrial & Commercial Wiring for Large Factories and High-rise Buildings.
- ❖ Fixing of Lighting systems, Luminaire fittings, Street Lighting Systems.
- ❖ Mini Hydro Power Projects.
- ❖ Design & build turnkey projects for Medium & Large-Scale Electrical Installations & Power Distribution Systems.
- ❖ Installation of Lightning Protection System.
- ❖ Building Automation and Controls.

The company has completed more than 15 projects during last few years and currently ongoing project are as follows;

**TABLE 5.2 ONGOING PROJECT DETAILS AS OF 31ST DECEMBER 2021 – MEP**

Category	Sub Category	Name of client	Title of Contract	Total Value (without VAT) LKR	% Completed	Value of Work to be completed LKR
Electrical	LV	Ministry of Defense	Supply and Installation of low Voltage Electrical Distribution system of Block 01 of DHQC - Akuregoda	124,626,598	80%	27,387,979
	LV	Ministry of Defense	Supply and Installation of low Voltage Electrical Distribution system of Block 03 of DHQC - Akuregoda	322,526,264	20%	274,147,324
	LV	Ministry of Defense	Supply and Installation of low Voltage Electrical Distribution system of Block 04 of DHQC - Akuregoda	320,540,749	20%	272,459,637
	MV	University of Sri Jayawardanapura	Supply, Installation, Testing, Commissioning and Maintenance of Data & Telephone network system for proposed Faculty of Technology	60,800,183	5%	55,800,183
	LV	Sri Lanka Ayurvedic Drugs Corporation	Supply, Installing and Commissioning of new electricity distribution system for the main factory of Sri Lanka Ayurvedic drugs corporation	49,425,471	0%	49,425,471
			<b>Sub Total -Electrical</b>	<b>877,919,265</b>		<b>679,220,595</b>

### Civil Engineering and Water projects

Luminex Civil Engineering Division was formed in 2007, which is headed by a Chartered Civil Engineer with a team of experienced and professionally qualified Engineers and supporting staff.

At present Luminex is graded C-3 for civil works by CIDA and is progressing with projects in hand (Buildings, Roads and Bridges), aiming to achieve a higher CIDA grading in the near future. The company has been especially successful in water supply projects and expect to benefit from increased government focus on water supply segment.

Sources : Construction Industry Development Authority:

[https://www.cida.gov.lk/sea\\_con/search\\_name\\_con\\_1.php?id=7553/08.01.2022/12.21hrs](https://www.cida.gov.lk/sea_con/search_name_con_1.php?id=7553/08.01.2022/12.21hrs).

During the past 10 years the company has successfully completed and handed over 48 projects in this category. The Projects that are in the progress under Civil Engineering category are tabulated below;

**TABLE 5.3 ONGOING PROJECT DETAILS AS OF 31ST DECEMBER 2021 – CIVIL ENGINEERING AND WATER**

Category	Sub Category	Name of client	Title of Contract	Total Value	% Completed	Value of Work to be completed
				(without VAT)		LKR
				LKR		LKR
Civil	Water	Water Supply & Sanitation Improvement Project	Construction of Kilinochchi New Water Supply Scheme - Intake Construction	109,133,675	75%	27,283,418
	Water	Water Supply & Sanitation Improvement Project	Construction of Kiranchi Water Supply Scheme	228,778,554	93%	16,014,498
	Water	National Water Supply & Drainage Board	Murungan to Mannar Water Supply Scheme	77,588,115	95%	3,879,405
	Water	Water Supply & Sanitation Improvement Project	Rehabilitation of Hanguranketha Group-05 in Nuwara Eliya District	77,635,853	95%	3,881,792
	Water	Water Supply & Sanitation Improvement Project	Sripada Stage -01 in Nuwara Eliya District	39,060,089	60%	15,624,035
	Water	Water Supply & Sanitation Improvement Project	Rehabilitation of Undugodan RWSS in Kegalle District	48,214,764	40%	28,928,858
	Building	Airport & Aviation Services	Cargo Village Entrance Building at Bandaraaike international Airport, Katunayake.	149,580,761	40%	89,748,456
	Water	Kolon-Samsung C&T Joint Venture	Pipe Laying- Replacement Main- Devinuwara Gandara ( Kolon )	42,460,350	80%	8,492,070
	Water	Sierra construction limited	Jaffna Kilinochchi Water Supply Scheme	44,570,806	97%	1,337,124
	Water	Water Supply & Sanitation Improvement Project	Deraniyagala DSD in Kegalle District	82,251,793	35%	53,463,665
Water	National Water Supply & Drainage Board	Mavanella Water Supply Scheme	137,946,269	5%	131,048,955	

<b>Water</b>	Puritas ( Pvt ) Ltd	Ruwanwella Water Supply Scheme	92,499,492	20%	73,999,593
<b>Water</b>	Kolon-Samsung C&T Joint Venture	Salinity Barrier Stage II	155,948,000	15%	132,555,800
<b>Water</b>	Sierra construction limited	Jaffna City Project	60,063,038	15%	51,053,582
<b>Water</b>	National Water Supply & Drainage Board	Erukkalampiddy Water Supply Scheme	180,336,552	5%	171,319,724
<b>Water</b>	Kolon-Samsung C&T Joint Venture	Karagoda Uyangoda Pipe Laying	123,003,204	5%	116,853,043
<b>Water</b>	Water Supply & Sanitation Improvement Project	Basnagala Rural Water Supply Scheme	189,978,199	0%	189,978,199
<b>Water</b>	JICA	Construction of the water supply scheme for Rathmalkandiya Sub-Project in polonaruwa District North Central Province	167,864,556	0%	167,864,556.40
<b>Building</b>	CAMSO LOADSTAR (PVT) LTD	CINCO Facility Building Construction Project	72,780,000	18%	59,679,600.00
<b>Building</b>	National Water Supply & Drainage Board	Construction of Office Building for Negambo Area Engineer & OIC Office at Kurana Tower Site Under Manager Gampaha.	76,057,720	0%	76,057,720.31
<b>Bridge</b>	Road Development Authority.	Re-Construction of Three Cell Box Type Bridge for (87/1) Km Maradankadawala - Habarana - Thirikkondiadimadu Road (A11)	26,405,397	20%	21,124,318.26
<b>Bridge</b>	Road Development Authority.	Re-Construction of Bridge 3/6 on Carolina - Norton - Wanarajah Road (A007)	60,904,602	1%	60,295,556.57
<b>Bridge</b>	Road Development Authority.	Re-Construction of 41/2 Two Cell Box Bridge at Vavuniya - Horowpathana Road (A-029)	31,791,808	1%	31,473,890
<b>Total Water &amp; Civil</b>			<b>2,274,853,605</b>		<b>1,531,957,869</b>




### 5.3 Operational assets of the company

Luminex operations are well supported by the physical assets of the company. Luminex owns 4 business premises in Moratuwa, Panadura area covering a total of 32,400 sqft and also boast an extensive fleet of industrial vehicles including 43 boom trucks, 4 JCB and 28 lorries/ dual purpose vehicles and 30 cars. The company is also one of the few owner operators in the country of Horizontal Directional Drilling machines and Micro Trenching machines (02). The project related vehicles and machinery reflect an investment of over LKR 580 million by the company.

### 5.4 Accolades and Ratings

<b>Accolades</b>	
<p style="text-align: center;"><b>Det Norske Veritas (DNV – Norway)</b></p> <div style="text-align: center;">  </div> <p>Luminex has been awarded ISO 9001: 2008 and advancing for ISO 9001:2015 the newest version of the Quality Management System Certification by DET NORSKE VERITAS (DNV – Norway)</p>	<p style="text-align: center;"><b>Winner of Regional Group Service Excellence 2012</b></p> <div style="text-align: center;">  </div> <p>Luminex has won the Regional Group Service Excellence in year 2012 Awarded by Sri Lanka Telecom PLC.</p>

<p style="text-align: center;"><b>Winner of Regional Group Service Excellence 2013</b></p> <div style="text-align: center;">  </div> <p>Luminex has won the Regional Group Service Excellence in year 2013 Awarded by Sri Lanka Telecom PLC.</p>	<p style="text-align: center;"><b>Winner of Regional Group Service Excellence 2014</b></p> <div style="text-align: center;">  </div> <p>In 2014, Luminex has won the Regional Group Service Excellence award by Sri Lanka Telecom PLC.</p>
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<p><b>Winner of Regional Group Service Excellence 2016</b></p>  <p>Luminex has won the Regional Group Service Excellence in year 2016 Awarded by Sri Lanka Telecom PLC.</p>	<p><b>Service Excellence Awards – 2017</b></p>  <p>Luminex won the Best Overall Performance – Contractor Winner in the Service Excellence awards 2017. Regional Operations &amp; Sales Groups by Sri Lanka Telecom PLC.</p>
<p><b>Outstanding Leadership &amp; Appreciation Award</b></p>  <p>Luminex has won the Outstanding Leadership &amp; Appreciation Award by Sri Lanka Telecom PLC</p>	
<p><b>Ratings and Certificates</b></p>	
<p><b>Regional Service Excellence Awards 2012</b> Luminex Limited is the winner of the best overall performance by a contractor by Sri Lanka Telecom PLC.</p>	<p><b>Regional Service Excellence Awards 2013</b> Luminex Limited is the winner of the best overall performance by a contractor by Sri Lanka Telecom PLC.</p>
<p><b>Regional Service Excellence Awards 2014</b> Luminex Limited is the winner of the best overall performance by a contractor by Sri Lanka Telecom PLC.</p>	<p><b>Service Excellence Awards 2015</b> Luminex Limited is the First Runner-up of the best overall performance by a contractor by Sri Lanka Telecom PLC.</p>
<p><b>Service Excellence Awards 2016</b> Luminex Limited is the Winner of the best overall performance by a contractor by Sri Lanka Telecom PLC.</p>	<p><b>Metro Central Excellence Awards 2017</b> Luminex Limited awarded Best Contractor for Civil / Rehabilitation / SSD Works under the category Overall Performance by Sri Lanka Telecom PLC.</p>
<p><b>ISO 9001:2015</b> Luminex Limited has been found to conform to the Quality Management System standard and awarded ISO 9001:2015, by DNV - Business Assurance. DET NORSKE VERITAS (DNV - Norway)</p>	

### 5.5 Memberships

Luminex is a member of the following organizations;

- ❖ Institute of Construction Training and Development (CIDA)
- ❖ National Construction Contractors Association of Sri Lanka
- ❖ The Chamber of Construction Industry
- ❖ Institution of Engineers Sri Lanka (IESL)

### 5.6 Island wide coverage of the company

FIGURE 5.4 BRANCH NETWORK OF THE COMPANY

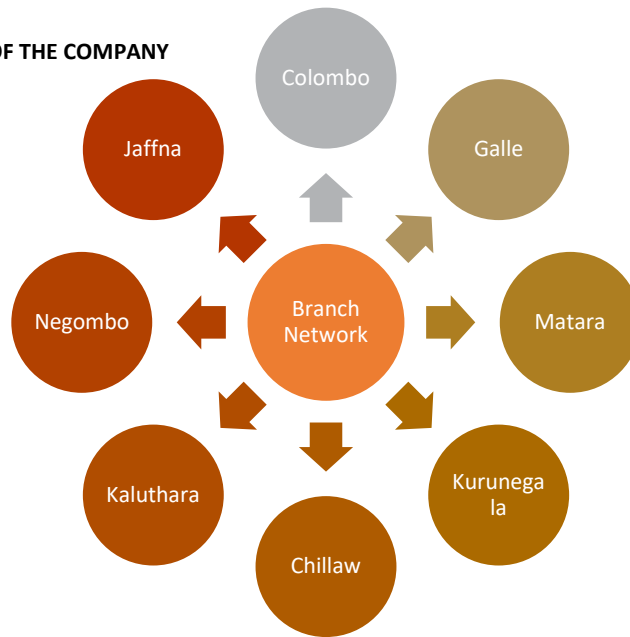
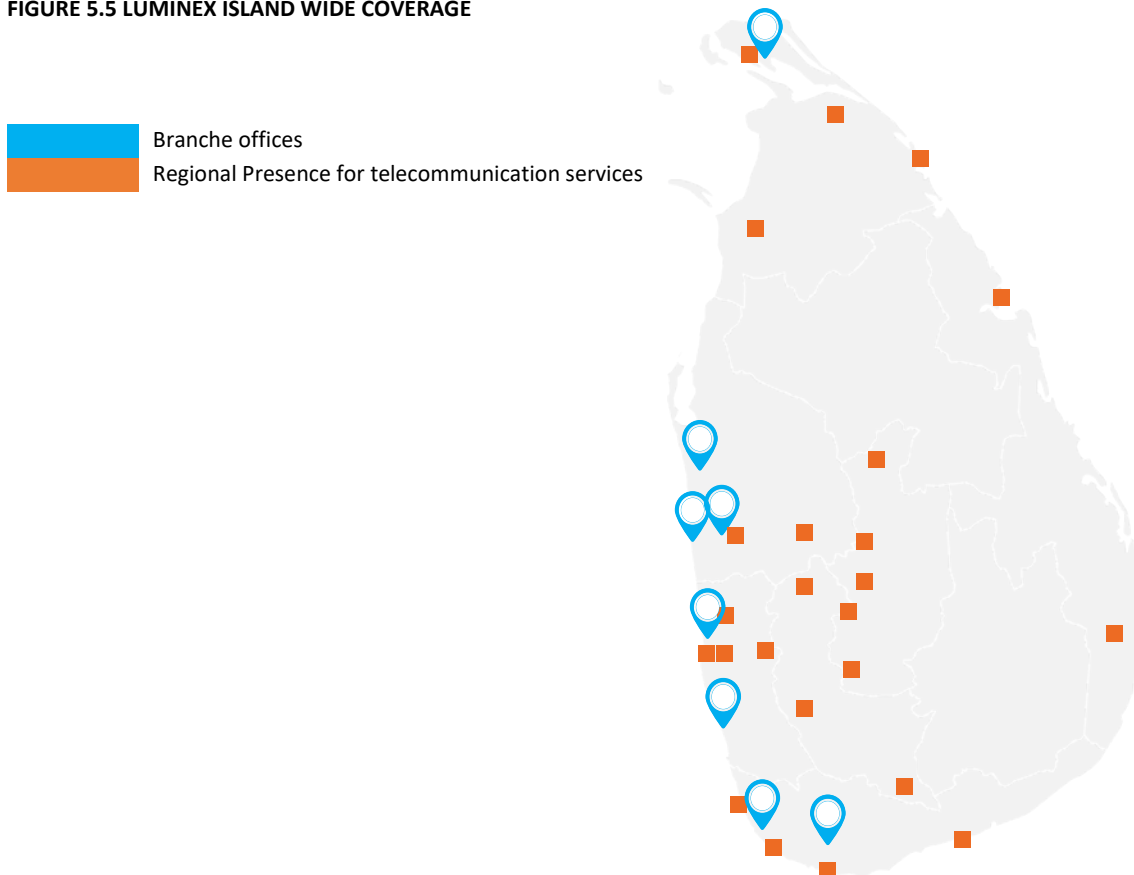


FIGURE 5.5 LUMINEX ISLAND WIDE COVERAGE



**TABLE 5.4 REGIONAL PRESENCE FOR TELECOMMUNICATION SERVICES**

Region	RTOM Area	Luminex Presence	
		Total Services	Partial Services
Region 1	Colombo Central	✓	
	Havelock Town	✓	
	Maradana	✓	
	Kolonnawa		✓
	Kotte	✓	
	Awissawella		
	Homagama	✓	
	Nugegoda	✓	
	Rathmalana	✓	
	Negombo	✓	
	Wattala	✓	
	Kelaniya	✓	
	Gampaha		✓
	Nittambuwa		✓
	Kalutara	✓	
	Horana	✓	
	Panadura	✓	
	Kegalle		✓
	Embilipitiya		✓
	Rathnapura		✓
Hambantota		✓	
Matara	✓		
Ambalangoda	✓		

Region	RTOM Area	Luminex Presence	
		Total Services	Partial Services
Region 2	Galle	✓	
	Dambulla		✓
	Kandy		✓
	Matale		✓
	Gampola		✓
	Hatton		✓
	Nuwara Eliya		✓
	Badulla		✓
	Bandarawela		✓
	Monaragala		✓
	Anuradhapura		✓
	Polonnaruwa	✓	
	Kurunegala	✓	
	Kuliyapitiya	✓	
	Chilaw	✓	
	Puttalama		✓
	Batticaloa		
	Trincomalee		✓
	Ampara	✓	
	Kalmunai	✓	
Jaffna	✓		
Killinochchi	✓		
Mullaitivu	✓		
Mannar	✓		
Vavunia	✓		

## 5.6 Human Resources

The company's HR strategy is created by aligning an organization's people aspect, culture and operational processes. Integrating company's business strategy and objectives, HR sets the direction for all the related areas including hiring, training and development, performance management and compensation.

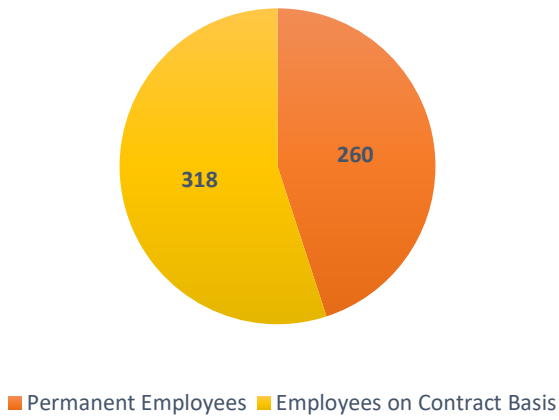
At Luminex, all the key members of the staff are all professionally qualified comprising of Chartered Engineers B.Sc. qualified Engineers, chartered accountants, degree holders and other professionals who count many years of experience in their related disciplines. They are ably supported by over four hundred personnel in the areas of Operations, administration and finance. This is augmented by hundred and twenty-five others both skilled and unskilled who are engaged in providing their services in support functions. Most importantly the company strive to ensures that their staff receive training in their respective fields thereby ensuring a knowledgeable, better skilled and efficient workforce.

Total staff base was 578 as at 28<sup>th</sup> February 2022 and the composition of the Human resources is given below;

**FIGURE 5.6 DASHBOARD OF HUMAN RESOURCES**

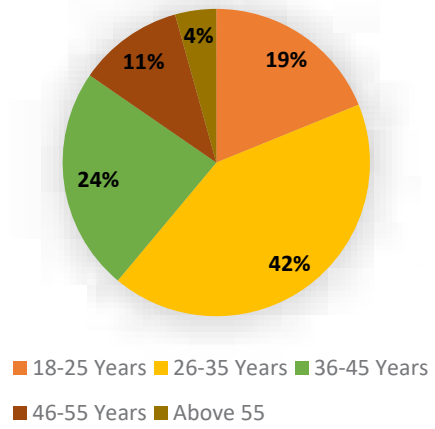
**In terms of categories of employment**

**Categories of Employment**

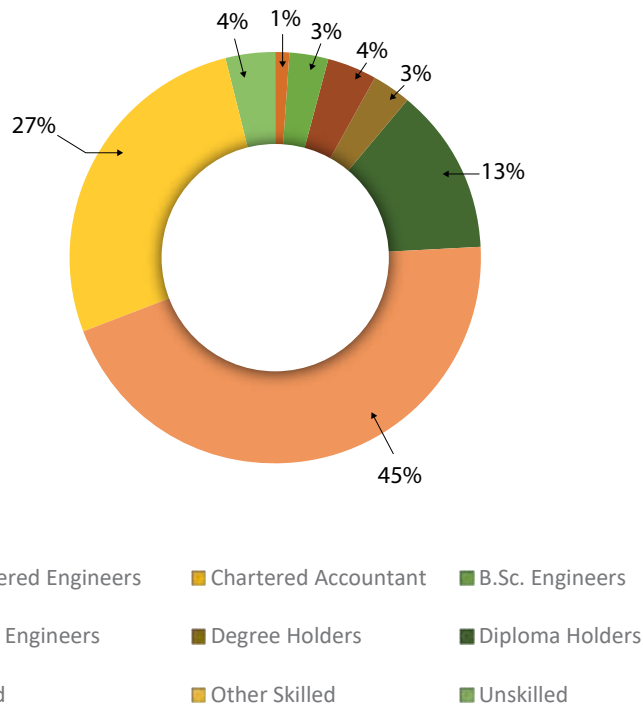


**In terms of age of workers**

**Age wise**



**Composition skilled & unskilled**

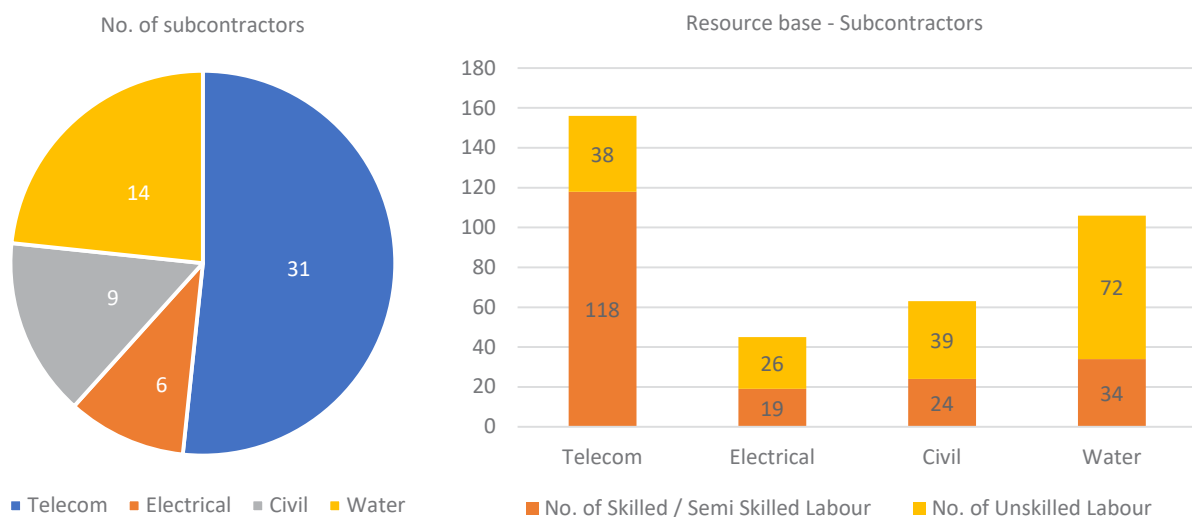


The company does not have labour unions or significant agreements entered into between the labour unions and the entity.

## 5.7 Subcontractors

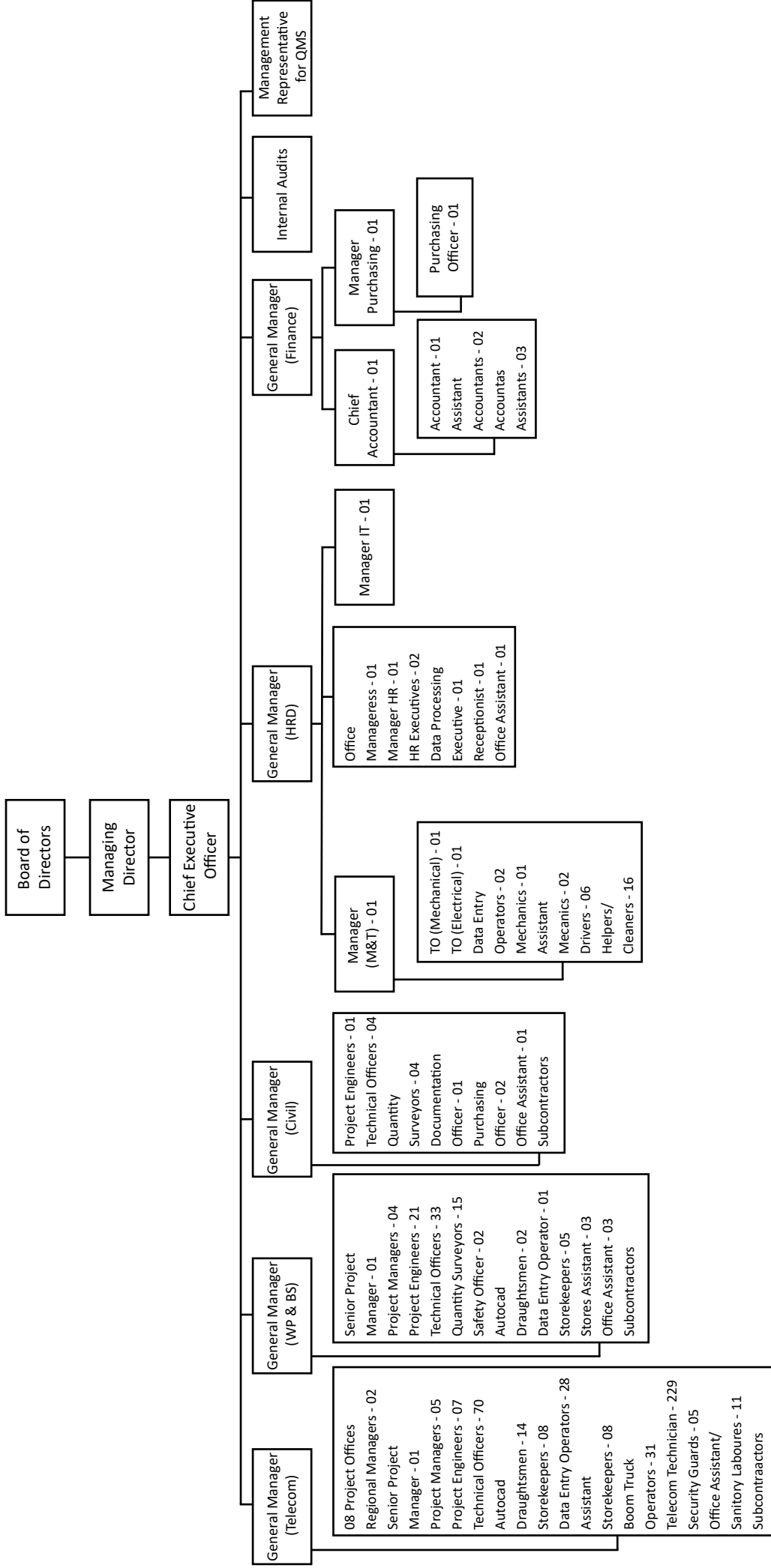
The long term mutually beneficial relationship with subcontractors is one of the key strengths of the company. Luminex has established healthy relationships with subcontractors over the past 35 years and today has 60 subcontractors supporting all its business segments. Hence, in addition to the strength of the internal resource base, Luminex has access to over 370 skilled and unskilled human resource base via its registered subcontractors.

**FIGURE 5.7 DETAILS OF SUBCONTRACTORS**



5.8 Organizational structure

FIGURE 5.8 ORGANIZATIONAL STRUCTURE OF LUMINEX LIMITED



## 5.9 Key HR policies of the company

### ❖ Equality

Luminex always ensure the directions and decisions on employees are in line with Company policies. All the employees having equal chances for accessing the opportunities available in the organization and all employees are treated in similar manner in the selection, recruitment, training and developments, remuneration and promotions.

Luminex does not endorse or encourage discrimination based on an individual's age, sex, race, religion, nationality etc., from the time of selection & recruitment until the termination of employment.

### ❖ Communication policy

Luminex always encourage employee's teamwork, where all employees work in unison to accomplish projects milestones and to achieve desired organization key performance indicators through open and effective communication across all levels in organizational hierarchy. Management always willing to listen the new ideas and success stories, encourage feedback on deficiencies and encourage open discourse in search of recommendations for continual improvement.

### ❖ Health and Safety Policy

Luminex recognizes the importance of ensuring good health and safety at workplace and actions have been taken to ensure that the employees receive knowledge and training on how to work safely and are aware of any hazards and risks they may face at work.

In order to maintain the health and safety of the business and help prevent workplace accidents, ill health and sickness absence, Luminex provides free workplace health and safety training for our staff in regular manner.

### ❖ Training and Development policy

Luminex endeavors to ensure that everyone in the team has obtained the correct training. Company's training policy is arranged so that all sites will have certain key workers who have received the necessary training to use the plant and equipment used on that site. If a specific need arises on a particular site, the relevant training would be arranged to cover the item of plant or equipment to be used. All personnel working on a site will also receive a full induction training session before starting work. It consists of being briefed on site rules, health and safety & training as well as emergency/first aid procedures.

The company sees this as a vital component of their identity which endorse Safe staff and a safe environment for safer general public. Industrial training is provided throughout the career path to always ensure that high quality service is provided to valuable customers. Luminex takes the responsibilities to train the future employees, whilst developing the capacity of in-house trainers and infrastructure needed to meet the, growing human resources needs of the organization and reinforce position of Luminex as a leader in the industry.

## 5.10 CSR/Giving back policy

Responsibility and commitment towards the community and all stakeholders and striving to plan an operate while developing meaningful and sustainable relationships is integral to the Luminex culture. The company believes that, giving back to the community is a key factor which drives the organizational success. The company identifies noteworthy projects that they would like to support financially or even volunteering their services. At Luminex this heartwarming practice has been enduring form its inception by contributing to different programs. These programs include supporting:

- Charitable Organizations and Religious Organizations
- People made destitute by natural disasters
- Community Developments Projects etc.

## 5.11 Summarized Financials for the Five Years Ended March 31, 2021

**TABLE 5.5 – SUMMARIZED AUDITED INCOME STATEMENTS**

	30th Sep 2021	FY 2020/21	FY 2019/20	FY 2018/19	FY 2017/18	FY 2016/17
	Unaudited (6 months)	Audited	Audited	Audited	Audited	Audited
	LKR	LKR	LKR	LKR	LKR	LKR
REVENUE	1,497,423,310	2,554,040,787	1,545,368,584	1,446,443,182	1,404,436,703	1,974,351,557
OPERATING EXPENSES	(971,103,754)	(1,848,726,837)	(1,156,151,418)	(1,112,163,720)	(1,123,271,929)	(1,295,101,471)
GROSS PROFIT	<b>526,319,556</b>	<b>705,313,950</b>	<b>389,217,166</b>	<b>334,279,462</b>	<b>281,164,774</b>	<b>679,250,086</b>
OTHER INCOME	29,554,121	72,117,660	68,291,001	72,621,458	75,055,501	47,454,375
SHARE OF NET PROFIT / (LOSS) OF JOINT VENTURE	-	(24,384)	22,963,836	(22,995,852)	-	-
ADMINISTRATION EXPENSES	(190,225,703)	(357,812,551)	(297,918,420)	(254,573,425)	(212,283,409)	(189,929,189)
OTHER EXPENSES	(96,380)	(187,748)	(1,058,006)	(284,203)	(12,236,151)	(195,269)
OPERATING PROFIT FOR THE YEAR	365,551,595	419,406,927	181,495,577	129,047,440	131,700,715	536,580,003
FINANCE COSTS	(27,335,118)	(61,033,903)	(60,423,822)	(37,855,030)	(8,868,988)	(10,157,029)
PROFIT BEFORE TAX	<b>338,216,477</b>	<b>358,373,024</b>	<b>121,071,755</b>	<b>91,192,410</b>	<b>122,831,727</b>	<b>526,422,974</b>
INCOME TAX EXPENSE	(50,826,155)	(63,068,493)	(27,057,138)	(29,602,093)	(40,691,245)	(85,280,982)
PROFIT FOR THE YEAR	<b>287,390,322</b>	<b>295,304,531</b>	<b>94,014,617</b>	<b>61,590,317</b>	<b>82,140,482</b>	<b>441,141,992</b>

**TABLE 5.6 – SUMMARIZED AUDITED STATEMENT OF FINANCIAL POSITION**

	30th Sep 2021	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017
	Unaudited	Audited	Audited	Audited	Audited	Audited
	LKR	LKR	LKR	LKR	LKR	LKR
<b>ASSETS</b>						
<b>Non- Current assets</b>						
<b>Property, Plant and equipment</b>	279,358,875	359,832,875	342,947,296	248,117,121	168,466,812	236,514,795
<b>Right-of-use-asset</b>	96,835,815					
<b>Interest in joint venture</b>	31,202	-	18,086	-	-	-
<b>Intangible assets</b>	2,785,851	3,442,308	5,389,408	619,248	868,225	827,494
<b>Deferred tax assets</b>	1,823,147	1,823,147	761,305			
	380,834,890	365,098,330	349,116,095	248,736,369	169,335,037	237,342,289
<b>Current Assets</b>						
<b>Inventories</b>	868,253,074	546,847,780	835,160,547	649,763,351	527,246,349	483,339,211
<b>Other financial assets</b>	207,898,818	312,090,244	257,992,554	216,400,482	199,540,914	206,281,248
<b>Trade &amp; other receivables</b>	764,921,002	638,552,162	367,926,171	473,700,344	452,042,710	539,624,541
<b>Income tax receivable</b>		-	-	14,573,906	1,250,335	-
<b>Cash &amp; cash equivalents</b>	145,648,339	61,296,740	49,207,682	31,936,482	20,160,131	29,819,580
	1,986,721,233	1,558,786,926	1,510,286,954	1,386,374,565	1,200,240,439	1,259,064,580
<b>Total Assets</b>	<b>2,367,556,123</b>	<b>1,923,885,256</b>	<b>1,859,403,049</b>	<b>1,635,110,934</b>	<b>1,369,575,476</b>	<b>1,496,406,869</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
<b>Stated Capital</b>	200,000,000	200,000,000	40,000,000	40,000,000	40,000,000	40,000,000
<b>Retained earnings</b>	1,455,359,319	1,230,122,530	1,124,817,999	1,054,803,382	980,713,065	1,035,818,740
	1,655,359,319	1,430,122,530	1,164,817,999	1,094,803,382	1,020,713,065	1,075,818,740
<b>Non-current liabilities</b>						
<b>Deferred tax liability</b>		-	-	7,542,038	14,463,075	4,484,707
<b>Retirement benefit obligation</b>	62,956,030	60,166,236	50,184,701	42,942,451	36,944,191	33,566,663
<b>Interest bearing borrowings</b>	34,050,440	62,856,284	80,134,521	68,906,476	31,940,968	40,714,343
<b>Lease liabilities</b>	57,212,235					
<b>Interest in joint venture</b>		6,298		22,970,852		-
	154,218,705	123,028,818	130,319,222	142,361,817	83,348,234	78,765,713
<b>Current Liabilities</b>						
<b>Trade &amp; other payables</b>	137,641,260	127,849,634	108,980,517	122,705,571	158,853,460	93,614,055
<b>Interest bearing borrowings</b>	206,597,107	170,073,748	271,494,159	196,397,735	60,502,562	123,651,462
<b>Lease liabilities</b>	45,583,697					
<b>Other financial liabilities</b>	6,621,181	8,000,000	8,000,000	-	-	-
<b>Income tax payable</b>	19,695,997	36,510,937	3,068,169	-	-	59,338,766
<b>Bank overdrafts</b>	141,838,857	28,299,589	172,722,983	78,842,429	46,158,155	65,218,133
	557,978,099	370,733,908	564,265,828	397,945,735	265,514,177	341,822,416
<b>Total liabilities</b>	712,196,804	493,762,726	694,585,050	540,307,552	348,862,411	420,588,129
<b>Total Equity and liabilities</b>	<b>2,367,556,123</b>	<b>1,923,885,256</b>	<b>1,859,403,049</b>	<b>1,635,110,934</b>	<b>1,369,575,476</b>	<b>1,496,406,869</b>

**TABLE 5.7 – SUMMARIZED AUDITED STATEMENT OF CASH FLOW STATEMENTS**

	30th Sep 2021	FY 2020/21	FY 2019/20	FY 2018/19	FY 2017/18	FY 2016/17
	Unaudited	Audited	Audited	Audited	Audited	Audited
	LKR	LKR	LKR	LKR	LKR	LKR
<b>Cash flows from operating activities</b>						
Profit for the year	338,216,477	295,304,531	94,014,617	61,590,317	82,140,482	441,141,992
<b>Adjustments for non-cash income and expenses:</b>						
Non-cash income tax expenses	-	32,380,926	10,217,266	(18,343,894)	(53,107,983)	53,688,480
Amortization	774,627	1,947,100	1,315,255	342,851	299,380	187,500
Depreciation of property, plant and equipment	45,622,772	83,591,479	62,400,362	47,558,874	67,213,246	28,297,550
Interest income	(5,569,941)	(22,511,789)	(24,398,128)	(20,871,567)	(24,436,022)	(16,210,550)
Profit on disposal of assets	-	(5,070,000)	(8,147,796)	(1,623,907)	(4,401,815)	(1,304,970)
Provision for gratuity	3,919,938	11,395,849	8,785,251	7,037,685	4,866,866	18,909,844
Share of joint venture Loss / (Profit)		24,384	(22,988,938)	22,970,852	-	-
Gratuity paid	(1,130,144)	(1,414,314)	(1,543,001)	(1,039,425)	(1,489,338)	(236,025)
Loan Interest	6,363,988					
Interest adjustment for lease	-	(7,102,937)	(6,270,613)	(17,427,841)	(351,401)	2,715,041
<b>Changes in working capital</b>						
(Increase) / Decrease in trade and other receivables	(125,800,666)	(270,625,991)	105,774,173	(21,657,634)	87,581,831	(152,716,986)
Decrease/ (Increase) in inventories	(321,405,294)	288,312,767	(185,397,196)	(122,517,002)	(43,907,138)	(258,261,501)
Increase / (Decrease) in trade and other payables	9,791,627	17,124,117	(13,725,054)	(36,147,889)	65,239,405	(1,764,793)
<b>Net cash generated from operating activities</b>	<b>(55,580,604)</b>	<b>423,356,122</b>	<b>20,036,198</b>	<b>(100,128,580)</b>	<b>179,647,513</b>	<b>114,445,582</b>
Income tax paid	(67,641,095)					
	<b>(123,221,699)</b>					
<b>Cash flows from investing activities</b>						
Interest received	2,472,532	22,511,789	23,519,594	18,970,853	21,992,420	14,594,683
Investment in other financial assets	113,150,810	(54,097,690)	(41,592,072)	(16,859,568)	6,740,334	(31,168,460)
Purchase of property, plant and equipment	(62,102,759)	(98,732,059)	(169,605,537)	(110,709,182)	(43,495,479)	(43,365,689)
Purchase of intangible assets			(6,085,415)	(93,874)	(340,111)	
Sales proceeds from disposal of assets		5,070,000	20,522,796	1,623,907	4,426,726	1,304,970
<b>Net cash generated from investing activities</b>	<b>53,520,583</b>	<b>(125,247,960)</b>	<b>(173,240,634)</b>	<b>(107,067,864)</b>	<b>(10,676,110)</b>	<b>(58,634,496)</b>
<b>Cash flows from financing activities</b>						
Dividend paid	(70,000,000)	(30,000,000)	(24,000,000)	(4,000,000)	(88,000,000)	(35,000,000)
Proceeds received from borrowings	345,672,298	297,218,910	448,899,030	377,618,705	11,097,849	219,566,012
Repayment of capital portion of borrowings	(206,944,882)	(357,043,685)	(313,029,116)	(165,193,145)	(70,114,854)	(187,627,535)
Repayment of lease rentals	(28,213,970)	(51,770,935)	(35,274,832)	(22,137,039)	(12,553,869)	(26,359,463)
<b>Net cash (absorbed in) / generated from financing activities</b>	<b>40,513,447</b>	<b>(141,595,710)</b>	<b>76,595,082</b>	<b>186,288,521</b>	<b>(159,570,874)</b>	<b>(29,420,986)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>(29,187,669)</b>	<b>156,512,452</b>	<b>(76,609,354)</b>	<b>(20,907,923)</b>	<b>9,400,529</b>	<b>26,390,100</b>
Cash and cash equivalents at the beginning of the year	32,997,151	(123,515,301)	(46,905,947)	(25,998,024)	(35,398,553)	(61,788,653)
Increase/ (decrease)	(29,187,669)	156,512,452	(76,609,354)	(20,907,923)	9,400,529	26,390,100
<b>Cash and cash equivalents at the end of the year</b>	<b>3,809,482</b>	<b>32,997,151</b>	<b>(123,515,301)</b>	<b>(46,905,947)</b>	<b>(25,998,024)</b>	<b>(35,398,553)</b>
Income Tax paid		30,687,567	16,839,872	47,945,987	93,799,228	31,592,502

**TABLE 5.8 – SUMMARIZED FINANCIAL RATIOS**

	<b>FYE 2021</b>	<b>FYE 2020</b>	<b>FYE 2019</b>	<b>FYE 2018</b>	<b>FYE 2017</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
<b>GP Margin (%)</b>	28%	25%	23%	20%	34%
<b>NP Margin (%)</b>	12%	6%	4%	6%	22%
<b>Cost to Income Ratio (%)</b>	16%	23%	20%	17%	10%
<b>Basic EPS - LKR per share</b>	14.77	23.50	15.40	20.54	110.29
<b>Adjusted EPS as of 31st March 2021 - LKR per share</b>	14.77	4.70	3.08	4.11	22.06
<b>Basic NPS - LKR per share</b>	71.51	291.20	273.70	255.18	268.95
<b>Adjusted NPS as of 31st March 2021 - LKR per share</b>	71.51	58.24	54.74	51.04	53.79
<b>Debt to Equity Ratio (%)</b>	21%	8%	6%	8%	41%
<b>Dividend Per Share -Pre share split</b>	3.50	7.50	6.00	18.54	9.96
<b>Dividend Per Share -Post share split</b>	3.50	1.50	1.20	3.71	1.99
<b>ROE (%)</b>	21%	8%	6%	8%	41%
<b>Current Ratio (Times)</b>	4.21	2.68	3.48	4.52	3.68

The company recorded a 65% revenue growth for the FYE 2021 and a 214% growth of the Profit after the tax due to new Sri Lanka Telecom PLC's projects for the Supply and delivery of 100K FTTH Home Pass Connections ( HP ) and the 50K FTTH Home Connections amounting to LKR.2.1Bn. Hence, the trade and other receivables has increased by 73% when compared to with the FYE 2020. Moreover, operating cash flow generated from these major projects have positively contributed to negate the negative cash flow reported during previous financial years. Luminex is confident that the current growth rate of the revenue and profitability would be maintained in the foreseeable future as well.

A Joint Venture has been established by the company for the purpose of entering into a new revenue segment by undertaking Water projects by collaborating with JN Construction (Pvt) Ltd (JNC).At the time of Luminex Ltd.'s decision to move into water projects (2018) as the company did not have previous experience in the sector, the necessity arose to enter into this JV with a contractor with a higher CIDA grading in the Water sector in order to be prequalified .This Joint venture is not separate legal entity but a formal agreement to share revenue on the basis of 94: 6 between Luminex (96%) & JN Construction (Pvt) Ltd (4%).

The total revenue receipt of the JV are shared between the parties by raising the invoices for the total amount. Therefore the balance mentioned in the Statement of Income statement is the un-invoiced portion relevant to the company for the year under review. Out of the projects undertaken through this JV, only one project is yet to be completed. About 93% of the work of that project is completed and is expected to be handed over by April 2022.

In contrast, 16 water projects, for a total value in excess of Rs. 1,800 million( some of which are in progress) were won by the company independently without going through the JV.

The financial statements of the Company up to 31<sup>st</sup> March 2021 have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The audited financial statements for FYE 2019/20 and FYE 2018/19 contain modified audit opinion due to practical obstacles encountered in the verification of physical inventories. Please refer section 3.3 of the Accountant's report issued by the auditors of the company.

Financial year ended 31st March	Audit opinion	Date of Auditors' Report
2017	Unmodified audit opinion	21st June, 2017
2018	Unmodified audit opinion	23 <sup>rd</sup> November, 2018
2019	Modified audit opinion	26 <sup>th</sup> November, 2019
2020	Modified audit opinion	11th January, 2021
2021	Unmodified audit opinion	22nd July, 2021

Source - Please refer Section 3.3 of the Accountants Report - Annexure I

The accounting policies of the Company as per SLFRS for SMEs are stated in detail in the audited financial statements of the Company for the year ended 31st March 2021. There were no material changes in the accounting policies of the Company for the years ended 31st March 2021.

The Interim Financial Statements for the six (06) months ended September 30, 2021 of the Company subjected to a limited review by the Auditors to the Company is enclosed in Annex V of this Prospectus and the report on factual findings of gap analysis for 2019/20 is enclosed as Annexure III.

The accounting policies of the Company on adoption of SLFRS/LKAS are stated in detail in the reviewed financial statements of the Company for the six months period ended 30<sup>th</sup> September 2021 and the company will prepare financial statements as per the Sri Lanka Accounting Standards (SLFRSs/LKASs) from financial years 2021/22 onwards.

## 5.12 Impact of Covid-19 on the Company and the Business Operations

The Covid-19 outbreak has brought many challenges for telecommunications, MEP and civil engineering sectors in Sri Lanka while Imposed restrictions on movement and health quarantine requirements have a negative effect, the new normal working life has required more time at home and more usage of data for work and leisure and health quarantines requirements have a negative effect which has resulted a significant demand impact on the Telecom sector. However, the demands and challenges of 2020 were successfully met with a focused operational strategy. The new opportunities have been captured with rising demand which added pressure to the network infrastructures and affected service reliability and quality in the industry. Having core competency and diversified services portfolio, Luminex has an added advantage to capitalize this market opportunities. This is evident from the reported results of the company for the financial year ended 31<sup>st</sup> March 2021 as well as Interim Financial Statements as of 30<sup>th</sup> September 2021 given in this prospectus.

Luminex is cognitive of the increased requirement for health and safety protocols for employees and customers, changes to government policies and regulations, foreign exchange and economic challenges faced by the country and resulting cost increases due to pandemic.

While acknowledging the increased level of uncertainties created by the Covid pandemic the company is confident of meeting the challenges by adopting to the new normal.

## 5.13 Future Outlook for Luminex Limited

### - Revenue growth

Luminex expects to grow business volumes in all key industry segments. Continuing investment by Telecom companies upgrading their infrastructure to meet the data driven demand including direct fiber optic connectivity is expected to drive the revenue growth in the Telecom sector while continued government focus and investment in infrastructures development with an increased focus on water purification and distribution is expected to drive revenue growth in the EMP and Civil engineering sectors.

### - Diversification of Revenue

The company intends to follow a path of diversifying the revenue sources in order to have a balanced mix of revenue generated from the three key operating industry segments. As such EMP and Civil engineering segments are expected to grow at higher rate compared to the Telecom segment, increasing their percentage share of the company's total revenue.

### - International expansion

The company sees international expansion as an important and inevitable part of its future. As a start the company expects to have a fully operational presence in Telecom and Electrical engineering in the middle east in the foreseeable future. The company is currently in the final stages of negotiations with partners and potential customers to commence operation in Sultanate of Oman.

### - Continuing to stay abreast with technology

Luminex will continue to focus on acquiring and deploying the latest global technology and know-how in all business segments with special emphasis on the Telecom engineering sector. Continues training and development, international experience and knowledge share partnerships is expected to gear the company and staff for this effort.

#### **5.14 Assumption Related to the Future Plans of Luminex Limited**

In establishing future strategies, the company has considered following assumptions to evaluate both positive and negative possibilities.

- Gradual easing of the covid pandemic and related travel restriction and social distance and quarantine measures
- Telco market remains resilient despite the difficult macro environment
- Continue investment by telcos in upgrading their infrastructure in line with global technological trends
- Low interest rate scenario will ease access to capital
- Continued government policy of supporting IT, infrastructure investments and construction

#### **5.15 New Developments**

During the month of February 2022 Luminex Limited has passed necessary board and shareholder resolutions under the Major transaction category in terms of Section 185 of Companies Act No. 7 of 2007 authorizing the company to enter into two contracts with one of the major Telecom service providers to the value of LKR. 2,585 Million and LKR. 500 Million and to obtain supporting banking facilities to value of LKR. 3,685 Million from Sampath Bank PLC. This transaction is carried out in the ordinary course of business and the benefits in the form of revenue and profits are expected to be derived over the next two financial years.

#### **5.16 Industry / Market Overview**

Please refer the section 3 of the independent valuation Report (Annexure II) for an industry overview. A detailed analysis of the market including the total value, market share average market price etc is not presented herein due to the unavailability of Publically verifiable, credible industry data and due to the confidential and proprietary nature of the available information.

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## 6.0 CORPORATE STRUCTURE

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### 6.1 Board of Directors

The Board of Directors guide and supervise the business and operations of the Company. The Board consists of two (02) Independent Non-Executive Directors, one (01) Non-Independent Non-Executive Directors, and four (04) Executive Directors. As at the date of this Prospectus, the composition of the Board is as follows.

**TABLE 6.1– DETAILS OF LUMINEX LIMITED BOARD OF DIRECTORS**

	Name	Address	Designation
1	Dr. H N De Silva	No: 400/60/7, Longden Avenue, Colombo 7	Chairman / Non- Independent Non-Executive Director
2	Mr. G R P Fernando	No: 185, Vijaya Kumaratungae Mawatha, Colombo 5	Managing Director/ Non-Independent Executive Director
3	Mr. A A C De Alwis	No: 22A, Chandrawanka Road, Pallimulla, Panadura	Non-Independent Executive Director
4	Mr. Asoka Hettigoda	No: 33/3, Sri Dharmarama Road, Ratmalana	Independent Non-Executive Director
5	Mr. I B Lionel	No: 565/A, Ihala Biyanwila, Rammuthugala Road, Kadawatha	Independent Non-Executive Director
6	Mr. Upul Ranjith Lekamge	No: 291/1, Gemunu, Mawatha, Kiribathgoda	Non-Independent Executive Director
7	Mr. H M D Palitha Herath	No: 305C/21, Jayasinghe Mawatha, Kothalawala, Kaduwela	Non-Independent Executive Director

## 6.2 Profiles of the Board of Directors



**Dr. Harsha N De Silva – Chairman/ Non-Independent - Non-Executive Director**

Dr. De Silva counts over 25 years senior and strategic management experience in the corporate sphere locally and internationally. He is veteran of the Investment Banking industry in Sri Lanka having commenced his career in Investment Banking at ANZ Bank in the early 90's and is currently the Chairman/Managing Director of Navara Capital Limited.

Accountants (UK) and the Chartered Institute of Bankers (UK) and a Fellow of the Institute of Certified Management Accountant of Sri Lanka. He holds a MBA from PIM, University of Sri Jayewardenepura and a PhD in Strategic Management from the IIC University of Technology.

Dr. De Silva has a wide industry experiences providing leadership to companies in diverse industries and different stages of the life cycle. In his career he has served as The Chairman of Serendib Engineering Group PLC, Orient Garments PLC and Alerics Dairy Products Limited and as Managing Director of First Capital Holdings PLC, Kelsey Developments PLC, Kothmale Holdings PLC and Dunamis Capital PLC. He has also served as the Deputy Managing Director Europe of Freshtex International Textile GmbH in Germany and as a Director of Millennium Housing Developers PLC and Nation Lanka Finance PLC.



**Mr. G R P Fernando – Managing Director/ Non-Independent-Executive Director**

Mr. Fernando is a Graduate from University of Moratuwa with BSc. Hons, degree in Electrical Engineering, had stint of 2 years at Mahaweli Development Board and 16 years at Department of Telecommunication / and Sri Lanka Telecom Corporation where he left as a Deputy General Manager.

Mr. Fernando is a Chartered Engineer at the Engineering Council, UK. He renders his services as a director for Luminex Ltd. since 1993



**Mr. A A C De Alwis – Non-Independent - Executive Director**

Mr. Alwis is a director of the company since its inception in 1986. He is a reputed and well-known businessman from Panadura and also a respected philanthropist of the area.



**Mr. Asoka Hettigoda – Independent - Non-Executive Director**

He counts for over 25 years' experience in strategic management. He is the Managing director of Siddhalepa Group is primarily involved in the Manufacture of Ayurvedic Herbal range of products. Currently market its products in 40 countries including Germany, USA, Japan, India, Switzerland, Russia, UAE etc. The company has received many international certifications such as ISO 9001, ISO 14001, ISO 2000, HACCP, GMP, FDA and European Pharmacopeia. He holds many directorships in group companies of the Siddhalepa.

He holds a bachelor's degree in Computer Science from Northwestern University in USA and a MBA from PIM, University of Sri Jayewardenepura.

He is a Council Member Sri Jayewardenepura University since 2015 and also a committee member of the National Trade Policy the committee which is in charge of drafting a national trade policy for Sri Lanka under the auspices of the Ministry of Trade and Commerce, Sri Lanka. He is the current Vice President of the Hotels Association of Sri Lanka. He is also a visiting Lecturer at Bandaranaike International Diplomatic Training Institute.



**Mr. I B Lionel – Independent - Non-Executive Director**

Mr. Lionel is a Chartered Engineer holding a degree in Electronics and Radio Engineering (IERE) UK. He is a member of the Institute of Engineering Technology UK and holds a Master of Business Administration (MBA) from the University of Kelaniya.

He has a wide range of experience in serving Sri Lanka Telecom for more than 35 years, where he also held a Senior Management Position in charge of Regional Operations. He is equipped with the experience in participating in seminars, trainings, and discussions in more than 20 countries. Before his retirement he has served as a Chief Regional Officer in charge of Sales and Operations of Sri Lanka Telecom PLC.



**Mr. Upul Ranjith Lekamge – Chief Executive Officer/ Non-Independent - Executive Director**

An engineering professional with 29 years of expertise in the fields of construction, manufacturing industry and infrastructure development. Obtained a first degree in Mechanical Engineering from University of Peradeniya and Post Graduate Diploma in Industrial Engineering from Open University of Sri Lanka.

A member of Institute of Engineers Sri Lanka (IESL) and a Chartered Engineer. He has worked in mechanical engineering projects, mini hydro power development projects, water supply projects, electrical and telecommunications projects locally. He has held a leading position in a UK based company in the Gulf and has worked in several High-rise building projects with supply and installation of MEP systems. Currently, he serves as the Chief Executive Officer of the organization.



**Mr. H M D Palitha Herath – Non-Independent - Executive Director**

Mr. Herath has over 25 years of senior management experiences in the field of Telecommunication in both fixed and Mobile Networks. He holds a B.Sc Eng degree in Electrical and Electronics Engineering from Faculty of Engineering, University of Peradeniya and is a Chartered Engineer and a Member of the Institute of Engineers Sri Lanka. He holds a Masters in Business Administration from the Cardiff Metropolitan University UK. He has worked with a Leading Mobiles Network Operator and hold Senior Management Positions and having experiences in Planning, Designing, implementation and Operation of Telecommunication systems. Presently he serves as a director at Luminex while leading the Telecom division at Luminex.

**6.3 Other Directorships Held by the Board**

**TABLE 6.2– OTHER DIRECTORSHIPS**

Name	Directorships in Other Institutions
<b>Dr. H N De Silva</b>	Navara Capital Ltd - Chairman Navara Holdings Pvt. Ltd - Chairman Navara Homes Pvt. Ltd - Chairman Navara Meditech Pvt. Ltd - Chairman Mandarin Capital Ltd - Chairman Thambapanni Holdings Ltd - Chairman Aliexx Technologies Pvt. Ltd - Chairman
<b>Mr. G R P Fernando</b>	Luminex Bookshops (Pvt) Ltd - Chairman Luminex Power Projects (Pvt) Ltd – Chairman Luminex mini Hydro (Pvt) Ltd Power Flow (Pvt) Ltd
<b>Mr. A A C De Alwis</b>	Luminex Bookshops (Pvt) Ltd Luminex Power Projects (Pvt) Ltd Luminex mini Hydro (Pvt) Ltd Power Flow (Pvt) Ltd
<b>Mr. Asoka Hettigoda</b>	Hettigoda Industries (Pvt) Ltd – Managing Director Hettigoda Distributors (Pvt) Ltd – Managing Director Siddhalepa Ayurveda Hospital (Pvt) Ltd – Managing Director Siddhalepa Ayurveda Herbals (Pvt) Ltd – Managing Director Siddhalepa Export (Pvt) Ltd – Managing Director Siddhalepa Ayurveda Health Resort (Pvt) Ltd – Managing Director Siddhalepa (Pvt) Ltd – Managing Director Siddhalepa Plantations (Pvt) Ltd – Managing Director Hettigoda City (Pvt) Ltd – Managing Director Suraya Compost Fertilizer (Pvt) Ltd – Managing Director
<b>Mr. I B Lionel</b>	N/A
<b>Mr. Upul Ranjith Lekamge</b>	N/A
<b>Mr. H M D Palitha Herath</b>	N/A

## 6.4 Directors' Interest in Shares

### 6.4.1 Directors' Direct and Indirect Shareholdings in the Company

The Directors' direct and indirect shareholdings in the Company as at the date of submission of the listing application to the Exchange are tabulated below.

**TABLE 6.3– DIRECTORS' DIRECT & INDIRECT SHAREHOLDINGS IN LUMINEX LIMITED**

Name of Director	Number of Shares Held	Percentage of Shareholding (%)
Ordinary Voting Shares – Direct		
Mr. G R P Fernando	120,900,000	50.38%
Mr. A.A.C. De Alwis	57,750,000	24.06%
Ordinary Voting Shares – Indirect		
Mr. H N De Silva		
Navara Capital Ltd	1,800,000	0.75%
Mandarin Capital Ltd	1,800,000	0.75%

### 6.4.2 Sale, transfer or Purchase of Shares by the Directors

Sales, transfers or purchases of shares made by the Directors of the Company during the last 12 months prior to the date of this Prospectus is given below;

**TABLE 6.4 SALE, TRANSFER OR PURCHASE OF SHARES BY THE BOARD OF DIRECTORS**

Name of the Director	Sale/Transfer/Purchase	Date of the transaction	No. of Shares	Buyer	Value (LKR)
Mr. G R P Fernando	Sale	25/6/2021	150,000	Navara Capital Ltd	1,500,000
Mr. G R P Fernando	Sale	25/6/2021	150,000	Mandarin Capital Ltd	1,500,000

### 6.4.3 Directors' Emoluments

The Directors were remunerated in the form of salaries remuneration, allowances and fees during the financial year 2020/21 to an extent of LKR 23,130,000/-. The Directors are expected to be remunerated in the form of salaries remuneration, allowances and fees during the financial year 2021/22 to an approximate extent of LKR 41,492,000/-. The significant increase in directors' emoluments is due to 02 members of the senior management being appointed to the board during 2021/22.

### 6.4.4 Directors' Interest in Assets

The Directors hold no interest in assets acquired, disposed of or leased by the Company during the two years preceding the IPO. Furthermore, it is not proposed that the Directors will hold any interest in assets to be acquired, disposed of or leased by the Company in the two years subsequent to the IPO.

#### 6.4.5 Directors' Interest in Material Contracts

There are no contracts or arrangements in force as at the date of this Prospectus in which the Directors of the Company are materially interested in relation to the business of the Company.

#### 6.4.6 Statement - Board of Directors

No Director or a person nominated to become a Director of the Company is or was involved in any of the following events:

- ❖ A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- ❖ Convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

### 6.5 Corporate Governance Practices

Corporate Governance involves the methods and systems through which companies are primarily directed and controlled, whereby the composition, role and remuneration of the board of directors, shareholder relations, accountability and audit are the main components. As per the corporate governance principles adopted in Sri Lanka, the company should be headed by an effective board of directors who should direct, lead and control the company. In light of this, the board of directors of Luminex Limited was reconstituted on 09<sup>th</sup> August 2021 with the appointment of Independent and Non-Executive Directors with the relevant professional expertise as well as to constitute the board sub committees to be in line with the requirements of the CSE Listing Rules.

The following board subcommittees are in place to support the governance of the Company;

- a) Audit Committee
- b) Remuneration Committee
- c) Related Party Transaction Review Committee

#### 6.5.1 Audit Committee

The audit committee constitutes of the following directors;

- i. Dr. H N De Silva – Non-Independent Non-Executive Director - Chairman of the Committee
- ii. Mr. Asoka Hettigoda – Independent Non-Executive Director
- iii. Mr. I B Lionel – Independent Non-Executive Director

The audit committee has been formed with the following terms of reference;

- ❖ Overseeing of the preparation, presentation and adequacy of disclosures in the financial in accordance with Sri Lanka Accounting Standards.
- ❖ Overseeing of the Company's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- ❖ Overseeing the processes to ensure that the Company's internal controls and risk management, are adequate, to meet the requirements of the Sri Lanka Auditing Standards.
- ❖ Assessment of the independence and performance of the external auditors.
- ❖ To make recommendations to the board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.

The committee will meet regularly and adequately throughout the financial year to discharge its duties. The Managing Director, CEO and General Manager Finance will attend the audit committee meetings.

### 6.5.2 Remuneration Committee

The remuneration committee constitutes of the following directors;

- i. Mr. I B Lionel – Independent Non-Executive Director – Chairman of the Committee
- ii. Dr. H N De Silva – Non-Independent Non-Executive Director
- iii. Mr. Asoka Hettigoda – Independent Non-Executive Director

The scope of the Committee includes the following;

- ❖ Recommending and approving total remuneration package and incentivisation packages of the executive directors including the managing director.
- ❖ Considering and recommending to the board, the broad policy for the remuneration and incentivisation package of Executive Directors and Key Corporate Management.
- ❖ Reviewing Company's remuneration practices and policies to ensure fairness in directors' remuneration.
- ❖ Determining the policy for the terms of employment of the executive Directors.
- ❖ Monitoring the performance conditions subject to which any long-term incentive awards may be granted under the schemes adopted by the Company and approving grant of long-term incentive awards, such as share appreciation rights and performance shares for Executive Directors and Key Corporate Management.
- ❖ Reviewing the design of all share incentive schemes.
- ❖ Bearing the responsibility for selecting and appointing any remuneration consultants who advises the committee.

### 6.5.3 Related Party Transaction Review Committee

The Related Party Transaction Review Committee constitutes of the following directors;

- i. Mr. Asoka Hettigoda – Independent Non-Executive Director – Chairman of the Committee
- ii. Dr. H N De Silva – Non-Independent Non-Executive Director
- iii. Mr. I B Lionel – Independent Non-Executive Director
- iv. Mr. G R P Fernando – Non-Independent Executive Director

The purpose of the Committee is to review all proposed related party transactions other than those transactions explicitly exempted in the CSE Listing Rules. Accordingly, except for transactions mentioned under Rule 9.5 of the CSE Listing Rules, all other related party transactions require review by the Committee either prior to entering into a transaction or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction. The committee meets at minimum on a quarterly basis.

The scope of the Committee includes the following;

- ❖ Adopting policies and procedures to review related party transactions of the Company and reviewing and overseeing existing policies and procedures.
- ❖ Reviewing in advance all proposed related party transactions of the Company except those explicitly exempted by the Rule 9.5 of the CSE Listing Rules.
- ❖ Determining whether related party transactions to be entered into by the Company require Board or shareholder approval.
- ❖ Establishing a set of guidelines as explained in the CSE Listing Rules where related party transactions are "recurrent in nature", for the senior management to follow in their continuing dealings with the relevant related party.
- ❖ Ensuring that no Director of the Company participates in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transaction to the Committee.

- ❖ If there is any potential conflict in any related party transaction, the Committee may recommend the creation of a special committee (including an independent consultant if necessary) to review and approve the proposed related party transaction.
- ❖ Ensuring that immediate market and Annual Report disclosures are made in a timely and detailed manner as required by the CSE Listing Rules.

## 6.6 Corporate Management

The key management personnel set out below are employees of the Company and are responsible for managing the affairs of Luminex according to the key responsibilities allocated to each individual.

### 6.6.1 Details of the Chief executive Officer

Name	<b>Mr. Upul Ranjith Lekamge</b>
Address	No 291/1, Gemunu Mawatha, Kiribathgoda.
Experience/Expertise	<p>An engineering professional with 29 years of expertise in the fields of construction, manufacturing industry and infrastructure development. Obtained a B.Sc degree in Mechanical Engineering from University of Peradeniya and Post Graduate Diploma in Industrial Engineering from Open University of Sri Lanka. A member of Institute of Engineers Sri Lanka (IESL) and a Chartered Engineer.</p> <p>Worked in mechanical engineering projects, mini hydro power development projects, water supply projects, electrical and telecommunications projects locally.</p> <p>Held a leading position in a UK based company in the Gulf. Worked in several High-rise building projects with supply and installation of MEP systems.</p>

### 6.6.2. Details of the Senior Management

#### ❖ **Mr. H M D Palitha Herath - General Manager - Telecom Projects**

Senior Management Professional over 25 years of experiences in the field of Telecommunication in both fixed and Mobile Networks. Obtained B.Sc Eng degree in Electrical and Electronics Engineering from Faculty of Engineering, University of Peradeniya. Chartered Engineer and a Member of Institution of Engineers Sri Lanka and obtained a Masters in Business Administration from the Cardiff Metropolitan University UK. He has worked with a Leading Mobiles Network Operators and hold Senior Management Positions and having experiences in Planning, Designing, implementation and Operation of Telecommunication systems. Presently he leads the Telecom division at Luminex.

#### ❖ **Mr. Kalinga Wijesinghe - General Manager - Water Projects and Building services**

He holds a Bachelor of Science Degree in Civil Engineering from the University of Moratuwa in 1999 and a Postgraduate Diplomas in Business Administration specialized in Project Management from University of Moratuwa, Building Services Engineering from University of Peradeniya, Structural Engineering from University of Ruhuna and Construction Law & Dispute Resolution from University of Moratuwa. He holds a certificate of Certified Business Accountant from CA Sri Lanka.

He has 22 years' experience in Project & Contract Management in the field of Building Construction, Water & Sewerage Construction and Building Services by serving for leading construction companies in Sri Lanka and Overseas.

❖ **Mr. Nimal Baranasuriya – General Manager -Civil projects**

A professionally qualified Chartered Civil Engineer with a Master of Science Degree in Irrigation Engineering from the University of Southampton, UK. He retired from Government Service after 35 years of service, first at the Irrigation Department and then at the Ministry of Highways & Road Development. Nimal was the Additional Secretary (Engineering) at the Ministry of Highways & Road Development at the time of his retirement. He heads the Civil Engineering Division at Luminex at present.

❖ **Mr. Prasanna Walisundara – General Manager Finance**

Prasanna Walisundara holds a Bachelor of Science Degree in Business Administration from the University of Sri Jayewardenepura and a master's degree in business administration from the University of Colombo. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka (FCA) and the Associate member of the Institute of Certified Management Accountants of Sri Lanka. He is also an associate member of the Sri Lanka Institute of Taxation. He was a Senior Manager of a global audit firm in Sri Lanka and counts over 19 years of experience in Finance and General Management by providing services of accounting, auditing, taxation and management to various organization such as local, multinationals and listed companies from small to large scale during his tenure. Finance and accounting division of the company comes under his purview.

❖ **Mr. G C Fonseka – General manager HRD and Administration**

Counts over 35 years of experience in senior positions in Human Resources Development and Supplies and materials management in reputed local and Multinational establishments. Associate Member - Institute of Personnel Management (UK) and Institute of Supply and Material Management (UK). Ex-employee Ministry of Defense, Sultanate of Oman. Recipient, Oman peace Medal and 25th Anniversary Medal. Presently heads the HRD Division of Luminex.

### 6.6.3 Corporate Management Emoluments

The Corporate Management were remunerated in the form of salaries and performance-based bonuses during the FY 2020/21 to the value of LKR 24,898,000/-. The Corporate Management is expected to be remunerated in the form of salaries and bonuses during the FY 2021/22 to an approximate value of LKR 33,667,586/-. The increase in the emoluments is due to two senior management persons appointed to the Board of Directors of the company.

### 6.7 Statement – Managing Director

The Managing Director of the Company has not been involved in any of the following:

- ❖ A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- ❖ Convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

## 7.0 OTHER INFORMATION

### 7.1 Relationship with key customers and suppliers of Luminex

The dominant players in the Telecom industry (Sri Lanka Telecom PLC and Dialog Axiata PLC) are the strategically important key customers of the company. The proven service excellence has set a long-lasting foundation for business success and Luminex is closely embedded with these customers in their operations. Therefore, the company perceives the degree of inter-dependance for these customers and Luminex. Focusing on diversified customer base in other business areas such as MEP solutions and civil engineering is expected to reduce the customer concentration and associated risks.

There is a high level of dependency on suppliers in all areas of operations. Almost material suppliers are selected in accordance with the requirements of the customer project guidelines and agreements. Hence, the company at times does not have the discretion to select major suppliers especially in government projects and telecom engineering projects. However, it should be noted that, the company purchase all goods and services of high quality in order to maintain the service quality of the company.

### 7.2 Dividends

#### 7.2.1 Dividend Policy

The Company may, subject to the provisions of the Articles of Association and the Companies Act No. 07 of 2007, make dividend payments by way of interim and final dividends to its shareholders in relation to the profits made from time to time. The company doesn't not have a specific dividend policy. However, the Company will declare dividends subject to;

- the solvency requirements of the Companies Act No. 07 of 2007, and
- cash flow position of the Company, return from operations, business prospects, current and expected obligations, funding needs for growth opportunities, maintenance of a strong capital structure and any other factor which the Board of Directors may deem relevant

#### 7.2.2 Dividend History

The Company has declared and paid the following dividends during the last four financial years immediately preceding the date of this Prospectus.

TABLE 7.1 – DIVIDEND HISTORY

(LKR)	Financial Year Ended			
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Interim Dividends	-	-	-	-
Final Dividends	70,000,000	30,000,000	24,000,000	74,160,000
Total Dividend for the Year	70,000,000	30,000,000	24,000,000	74,160,000
Dividend Per Share - Basic	3.50	7.50	6.00	18.54
Dividend Per Share – Pre-Share split of Shares	3.50	1.50	1.20	3.71
Dividend Per Share – Post Share split of Shares	0.29	0.13	0.10	0.31