



**GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA (THE "REPUBLIC") ANNOUNCES TO ELIGIBLE HOLDERS AN EXTENSION OF THE INVITATION TO EXCHANGE SRI LANKA RUPEE (LKR) TREASURY BONDS OF THE REPUBLIC FOR NEW LKR TREASURY BONDS OF THE REPUBLIC ANNOUNCED BY THE REPUBLIC ON 04 JULY 2023, ORIGINALLY EXTENDED ON 19 JULY 2023 AND FURTHER EXTENDED ON 11 AUGUST 2023**

25 August 2023

Reference is made to the Treasury Bond Exchange Memorandum dated 04 July 2023 pursuant to which the Republic announced an Invitation to Exchange (as defined therein) with regards to certain Treasury Bonds, as further detailed therein (the "**Treasury Bond Exchange Memorandum**"), to the extension notice dated 19 July 2023 pursuant to which the Republic amended the Expiration Date, Announcement Date and Settlement Date (the "**First Extension Notice**") and to the extension notice dated 11 August 2023 pursuant to which the Republic further amended the Expiration Date, Announcement Date and Settlement Date (the "**Second Extension Notice**"). The Treasury Bond Exchange Memorandum, the First Extension Notice and the Second Extension Notice are available on the website of the Ministry of Finance, Economic Stabilization and National Policies (<https://www.treasury.gov.lk/web/ddo>).

Terms used in this announcement and not otherwise defined have the meanings set out in the Treasury Bond Exchange Memorandum.

Following further feedback from Eligible Holders, in accordance with the terms of the Invitation to Exchange, the Republic today announces:

- (a) certain amendments to the timeline for the Invitation to Exchange (particularly the Expiration Date, Announcement Date, Settlement Date and Longstop Date) set out in the Treasury Bond Exchange Memorandum and amended by the First Extension Notice and the Second Extension Notice; and
- (b) certain other necessary amendments to the Treasury Bond Exchange Memorandum as set out below.

The indicative timeline is amended as follows:

## Amended Indicative Timeline of Events

<u>Date</u>	<u>Action</u>
04 July 2023 .....	<i>Launch Date</i>
04 July 2023 to 11 September 2023 .....	<i>Invitation Period (unless extended or terminated earlier)</i>
11 September 2023 at 4:00 p.m. (IST)...	Expiration Date  <i>Deadline for Eligible Holders to submit Offers</i>
On or about 12 September 2023.....	Announcement Date  <i>Announcement of acceptance of Offers by the Republic will be published on the MoF website/ local newspapers</i>
14 September 2023.....	Settlement Date  <i>Settlement Date for new Treasury Bonds</i>
30 September 2023.....	Longstop Date

## Other Amendments to the Treasury Bond Exchange Memorandum

### *The Eligible Bonds*

The following series of Treasury Bonds shall be excluded from the definition of Eligible Bonds:

- (a) 09.00% 2023A Treasury Bonds with ISIN LKB01123I017 due 01 September 2023; and
  - (b) 11.20% 2023A Treasury Bonds with ISIN LKB01023I019 due 01 September 2023,
- (the "**Excluded Treasury Bonds**").

As the Excluded Treasury Bonds are scheduled to mature prior to the Settlement Date (as amended by this announcement), such Excluded Treasury Bonds shall be excluded from the definition of Eligible Bonds and shall be paid in full on their Maturity Date.

All Offers submitted in respect of any Excluded Treasury Bonds **prior to** the date of this announcement shall therefore be void (Offers already submitted in respect of Eligible Bonds other than the Excluded Treasury Bonds will be unaffected by this announcement). Any Offer submitted in respect of any Excluded Treasury Bonds **after** the date of this announcement shall not be a valid Offer and shall be rejected, notwithstanding any other condition of the Invitation to Exchange set out in the Treasury Bond Exchange Memorandum.

### ***The Participation Threshold***

As a result of the exclusion of the Excluded Treasury Bonds, the Participation Threshold for Eligible Bonds maturing in 2023 for a given Superannuation Fund shall be amended as follows:

- (a) not less than 50% of its holding of 07.00% 2023A Treasury Bonds with ISIN LKB02023J016 due 01 October 2023;
- (b) not less than 50% of its holding of 06.30% 2023A Treasury Bonds with ISIN LKB00323K150 due 15 November 2023; and
- (c) not less than 50% of its holding of 11.60% 2023A Treasury Bonds with ISIN LKB00523L153 due 15 December 2023.

For the avoidance of doubt, the Participation Threshold for Eligible Bonds maturing between 2024 and 2032 (inclusive) set out in the Treasury Bond Exchange Memorandum is unaffected by this announcement.

**Please note that with regards to any interest payments falling due on any series of Eligible Bonds on any date prior to the amended Settlement Date, the Republic will pay such amounts in full to all holders of such series of Eligible Bonds in accordance with the terms thereof irrespective of whether any relevant holder has submitted a valid Offer relating to such Eligible Bonds prior to the relevant interest payment date.**

The terms of the Invitation to Exchange (including details of eligibility to participate, the Treasury Bonds subject to the Invitation to Exchange, the terms and conditions including the exchange procedure and the financial terms of the new Treasury Bonds, and instructions for submission of an application) are set out in the Treasury Bond Exchange Memorandum except as amended by this announcement. The Treasury Bond Exchange Memorandum should be read in the context of this announcement.

The terms and conditions of the Invitation to Exchange contained in the Treasury Bond Exchange Memorandum, as amended by this announcement, are subject to the offer and distribution restrictions set out therein.