

March 3, 2023

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| To, BSE Limited 1st Floor, Rotunda Building, B.S. Marg, Fort, Mumbai - 400 001 Scrip Code: 532967 | To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip ID – KIRIINDUS |
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Dear Sir/Madam,

Sub: Singapore International Commercial Court Confirms US\$ 603.80 million, as the final value of the Company's stake in DyStar. - Updates on Court case in Singapore in Compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We are pleased to inform that the Singapore International Commercial Court (“SICC”) vide its judgement dated March 3, 2023 has confirmed the final value of Company’s 37.57% stake in DyStar Global Holdings (Singapore) Pte Ltd (“DyStar”) as US\$603.80 million as against US\$481.60 Million, which was valued by the SICC vide its judgement dated June 21, 2021 which is now significantly increased by US\$122.20 million.

The court of appeal (the Supreme Court of Singapore) vide its judgement dated 6 July 2022 had decided two major points in favour of the Company related to 19% Discount for Lack of Marketability and notional licence fees with respect to exploitation of DyStar’s patent by Longsheng and had directed the SICC to give effect of the said Judgement.

The buyout order is to be executed now at the value of US\$ 603.80 million by Senda International Capital Ltd.

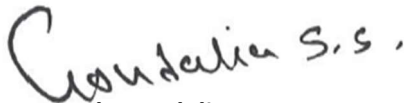
Please find attached herewith copy of SICC final valuation judgement dated March 3, 2023 for your reference and records.

You are requested to kindly note the above.

Thanking You,

Yours faithfully,

For Kiri Industries Limited



Suresh Gondalia
Company Secretary
Mem. No.: FCS7306
Encl.: As stated



DYES

Plot No 299/1/A & B, Phase-II, Nr. Water Tank, GIDC, Vatva,
Ahmedabad - 382 445, Gujarat, India
Phone: +91-79-25894477
Fax: +91-79-25834960
Email: engage@kiriindustries.com Web: www.kiriindustries.com

INTERMEDIATES

Plot No: 396/399/403/404 EPC Canal Road, Village: Dudhwada,
Ta: Padra, Dist: Vadodara - 391450 Gujarat, India.
Phone: +91-2662-273 444
Fax: +91-2662-273 444
Email: intermediates@kiriindustries.com Web: www.kiriindustries.com

CHEMICALS

Plot No: 552, 566, 567, 569-71 Village: Dudhwada, Tal.: Padra,
Dist.: Vadodara- 391 450 Gujarat, India.
Phone: +91-2662-273724, 25
Fax: +91-2662-273726
Email: intermediates@kiriindustries.com Web: www.kiriindustries.com

**IN THE SINGAPORE INTERNATIONAL COMMERCIAL COURT
OF THE REPUBLIC OF SINGAPORE**

[2023] SGHC(I) 4

Suit No 4 of 2017

Between

Kiri Industries Ltd

... Plaintiff

And

- (1) Senda International Capital Ltd
- (2) DyStar Global Holdings
(Singapore) Pte Ltd

... Defendants

JUDGMENT

[Companies — Shares — Valuation of shares]

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This judgment is subject to final editorial corrections approved by the court and/or redaction pursuant to the publisher's duty in compliance with the law, for publication in LawNet and/or the Singapore Law Reports.

Kiri Industries Ltd
v
Senda International Capital Ltd and another

[2023] SGHC(I) 4

Singapore International Commercial Court — Suit No 4 of 2017
Kannan Ramesh JAD, Roger Giles JJ and Anselmo Reyes JJ
27 February 2023

3 March 2023

Judgment reserved.

Kannan Ramesh JAD (delivering the judgment of the court):

Introduction

1 This is our decision on the valuation of Kiri Industries Ltd's ("Kiri") 37.57% shareholding in DyStar Global Holdings (Singapore) Pte Ltd ("DyStar") pursuant to a buy-out order at a price to be assessed as at the valuation date of 3 July 2018.

2 The factual backdrop and procedural history of the case can be found in the summary provided for in *Kiri Industries Ltd v Senda International Capital Ltd and another* [2023] SGHC(I) 3 ("*Kiri v Senda (Remitted Issue)*") at [1]–[5]. This matter concerns the longstanding litigation between Kiri and Senda International Capital Ltd ("Senda"). In gist, the Singapore International Commercial Court ("SICC") previously found that Senda was liable for oppressive conduct against Kiri and granted a buy-out order. Senda was ordered

to purchase Kiri’s 37.57% shareholding in DyStar. In arriving at the value of Kiri’s shareholding in DyStar for the purposes of the buy-out order, one of the issues raised was the compensation to be paid for Zhejiang Longsheng Group Co, Ltd’s (“Longsheng”) unauthorised use of DyStar’s patent to produce certain dyes. The SICC previously found that the appropriate form of compensation was embedded in the concept of a notional licence fee, *ie*, how much Longsheng would have to pay DyStar to obtain its consent to produce the dyes using the patent (*Kiri Industries Ltd v Senda International Capital Ltd and another* [2021] 3 SLR 215 at [183]). The notional licence fee was to be assessed based on the quantity of infringing products produced by Longsheng falling within the scope of the patent (the “Related Products”).

3 Kiri’s shares in DyStar were eventually valued at US\$481.6m by the SICC on 21 June 2021 (*Kiri Industries Ltd v Senda International Capital Ltd and another* [2021] 5 SLR 111 at [3]). Kiri and Senda both appealed to the Court of Appeal against various aspects of the SICC’s decision. On appeal, the Court of Appeal remitted the issue on the value of the notional licence fee back to the SICC to be reassessed based on the best available evidence that was before it on the quantity of the Related Products (*Kiri Industries Ltd v Senda International Capital Ltd and another and other appeals and other matters* [2022] SGCA(I) 5 (“*Kiri v Senda (Valuation) (CA)*”) at [292]).

4 In *Kiri v Senda (Remitted Issue)* at [38], the SICC, upon a robust review of the available evidence, found that the annual tonnage of the Related Products for the purposes of calculating the notional licence fee was 53,550 tonnes. Thus, based on this finding, the SICC invited the parties to submit their revised calculations on the following (at [39]):

- (a) the notional licence fee based on 53,550 tonnes for the Related Products; and
- (b) the valuation of Kiri's shareholding in Dystar taking into account the notional licence fee, and after adjusting for the fact that discount for lack of marketability is not a relevant adjustment as found by the Court of Appeal (*Kiri v Senda (Valuation)* (CA) at [245]).

The final valuation of Kiri's shares in DyStar

5 On 27 February 2023, pursuant to our directions, Kiri's valuation expert, Ms Harfouche, revised her calculations and arrived at the following figures (which were provided to Senda together with Ms Harfouche's updated model, and Senda did not have any comments on these):

- (a) US\$25.77m for the notional licence fee based on 53,550 tonnes for the Related Products; and
- (b) US\$603.8m for the valuation of Kiri's shareholding in DyStar based on the notional licence fee (without any discount for lack of marketability).

These were taken to be the parties' agreed calculations. Thus, based on the above, we adjudge the final valuation of Kiri's shares to be **US\$603.8m** for the buy-out order.

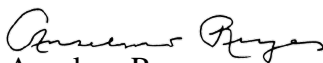
6 We invite the parties' positions on costs and any consequential directions that they may wish to seek. The parties are to take note of the Court of Appeal's decision in *Senda International Capital Ltd v Kiri Industries Ltd* [2022] SGCA(I) 10 regarding the principles for the assessment of costs for SICC proceedings in this regard.



Kannan Ramesh
Judge of the Appellate Division



Roger Giles
International Judge



Anselmo Reyes
International Judge

Certified True Copy

Manager, Judge's Chambers
Supreme Court Singapore

Dinesh Dhillon Singh, Lim Dao Kai, Margaret Joan Ling Wei Wei and Dhivya Rajendra Naidu (Allen & Gledhill LLP) for the plaintiff;
Toh Kian Sing SC, Cheng Wai Yuen Mark, Chew Xiang, Soh Yu Xian Priscilla and Lim Wee Teck Darren (Rajah & Tann Singapore LLP) for the first defendant;
See Chern Yang, Audie Wong Cheng Siew and Teng Po Yew (Drew & Napier LLC) for the second defendant.