



P W Corporate Secretarial (Pvt) Ltd
(Company Registration No. PV 65966)

January 09, 2024

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Centre
Echelon Square
Colombo 01

Dear Sir,

**CITRUS LEISURE PLC ("Company") RIGHTS ISSUE OF
ORDINARY VOTING SHARES – CORPORATE DISCLOSURE**

We write to inform you that the Board of Directors of the Company, at their meeting held on 9th January 2024 resolved to increase the Company's Stated Capital by the infusion of fresh capital in a sum of Rs. 1,589,090,808/- by way of a Rights Issue as follows:

- (1) **Number of shares to be issued by way of Rights:** 378,354,954 Ordinary Shares.
- (2) **The proportion in which shares are to be issued:** One Hundred and Forty Three (143) new Ordinary Shares for every One Hundred and One (101) existing Ordinary Shares held by the Shareholders in the Register of Shareholders as at end of Trading on the Date of Entitlement.
- (3) **The consideration for which the shares are to be issued:** Rs. 4.20 per share.
- (4) **The current Stated Capital of the Company:** Rs. 3,256,172,662/- represented by 267,229,723 Ordinary Shares.
- (5) **The proceeds of the Issue are to be utilized for the following purposes:**
 - (i) Settle outstanding related party loans of the Company borrowed from George Steuart and Company Limited amounting to Rs. 1,253,230,305/- which is in line with the entitlement of the related party shareholders under the Rights Issue;
 - (ii) Facilitate the full subscription of the Company's entitlement in the Rights Issue of Hikkaduwa Beach Resort PLC (CITH) amounting to Rs. 181,200,674/-;
 - (iii) Subscribe to any additional Shares required to raise the full amount under the Rights Issue of CITH up to a maximum of Rs. 154,659,829/-;

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- (iv) Primarily retire non-related party loans of fully owned subsidiary of the Company, Citrus Silver Ltd to the maximum extent possible if in the event of any funds raised via the Rights Issue, remaining with the Company post subscribing to the Rights Issue of CITH up to a maximum of Rs. 154,659,829/-. However, the Board at its discretion would reserve the right to decide on the final bank loans to be settled at Company/Subsidiary level depending on the requirements of the lending institutions.

The non-related party loans of Citrus Silver Ltd primarily identified for settlement are two (02) bank loans amounting to Rs. 114,000,000/- and Rs. 40,000,000/-.

- (6) The Rights Issue is subject to the Colombo Stock Exchange approving in principle, the issue and listing of Ordinary Shares and obtaining Shareholder's approval by way of an Ordinary Resolution, at a General Meeting.

Yours faithfully

**BY ORDER OF THE BOARD OF CITRUS LIESURE PLC
P W CORPORATE SECRETARIAL (PVT) LTD**


Priyanthi Pieris
Director / Secretaries

CW/sf