ANNOUNCEMENT UNDER THE COMPANY TAKE-OVERS AND MERGERS CODE 1995 (AS AMENDED IN 2003) AND GAZETTED IN THE GAZETTE EXTRAORDINARY NO. 875/9 DATED 16TH JUNE 1995 AND AMENDED BY GAZETTE NO. 1299/6 DATED 29TH JULY 2003

MANDATORY OFFER BY UDAPUSSELLAWA PLANTATIONS PLC (TO PURCHASE 18,723,161 (62.41%) ORDINARY VOTING SHARES OF TEA SMALLHOLDER FACTORIES PLC

1. BACKGROUND TO THE OFFER

Consequent to **UDAPUSSELLAWA PLANTATIONS PLC** a company duly registered under the Companies Act No. 7 of 2007 bearing Company Registration No. PQ63 and having its Registered Office at Level 11, Browns Capital Building, No. 19 Dudley Senanayake Mawatha Colombo 8, (hereinafter referred to as the **Offeror**), acquiring on 3rd April 2025 on the Trading Floor of the Colombo Stock Exchange (CSE), 11,276,839 Ordinary Voting Shares (**shares**) in **TEA SMALLHOLDER FACTORIES PLC** (hereinafter referred to as the **Offeree**), constituting approximately 37.59% of the total number of shares in issue of the Offeree at a price of Rs. 35.00 per share; triggered the threshold limits placed by the Company Takeovers and Mergers Code 1995 (as amended) (Code), published under the Rules made by the Securities and Exchange Commission of Sri Lanka under Section 53 of the repealed Securities and Exchange Commission of Sri Lanka Act, No. 36 of 1987 (as amended), which is deemed to be Rules made under Section 183 of the Securities and Exchange Commission Act, No. 19 of 2021 and in terms of Rule 31(1)a) of the Code (as stated below), is obliged to make a Mandatory Offer.

Rule 31(1)a) of the Code states as follows :

" (1) Where any person –

a) acquires, whether by a series of transactions over a period of time or otherwise, shares which taken together with shares held or acquired by persons acting in concert with such person, carry thirty per centum or more of the voting rights of a company : or ....

such person shall extend, within thirty-five days, an offer in accordance with this Rule to the holders of any class of equity shares that carry voting rights and in which such person or persons acting in concert with him hold shares."

Accordingly, the Offeror is obligated to purchase the balance of 18,723,161 Ordinary Voting shares, which constitute approximately 62.41% of the Offeree's shares held by the remaining holders of Ordinary Voting Shares, at a price of Rs. 35.00 per share.

There are no parties acting in concert with the Offeror.

Rs. 35.00 is the highest price paid by the Offeror for an Ordinary Voting Share of the Offeree during the period of one year immediately before 3rd April 2025.

2. TERMS OF THE OFFER

The Offeror offers to purchase from the shareholders of the Offeree the remaining 18,723,161 Ordinary Voting Shares at a price of Rs. 35.00 per share.

Rs.35.00 is the price per share at which the Offeror acquired the 11,276,839 shares of the Offeree on 3rd April 2025.

In terms of Rule 31 (3) of the Code Rs.35.00 is the highest price paid by the Offeror during the period from 4th April 2024 to 3rd April 2025, for a share of the Offeree.

The Offer to be made by the Offeror, as contemplated herein, shall be open to all holders of shares of the Offeree who are registered in the books of the Offeree at the close of the Offer.

3. THE IDENTITY OF THE OFFEROR

The Offeror is duly registered under the Companies Act No. 7 of 2007, bearing company Registration No. PQ 63 and its Ordinary Voting Shares are Listed on the Colombo Stock Exchange.

The Registered Office of the Offeror is situated at No. Level 11, Browns Capital Building, No. 19 Dudley Senanayake Mawatha Colombo 8.

The Directors of the Offeror are –

Dr. P S H Uluwaduge
Mr. D J Ratwatte
Mr. A S Perera
Mr. G D V Perera
Mr. D S K Amarasekara
Mrs. V G S S Kotakadeniya
Mr. Manju Gunawardena
Mr. U H E Silva
Mr. T Dharmaraja
Dr. K Meepe Mohotti

The Stated Capital of the Offeror is Rs. 340,000,000/- represented by 19,398,851 Ordinary Voting Shares.

The Offeror is a subsidiary of Browns Power Holdings (Private) Limited, which holds 17,491,031 Ordinary Voting Shares of the Offeror constituting 90.17% of the shares in issue of the Offeror. The company is engaged mainly in the cultivation, manufacture, and marketing of tea, rubber, coconut and forestry products, operating mainly in the Central Province.

4. EXISTING SHAREHOLDING IN THE OFFEREE COMPANY

(aa) The number of Offeree shares the Offeror owns or over which the Offeror has control	11,276,839
(bb) The number of Offeree shares owned or controlled by persons acting in concert with the Offeror	None
(cc) The number of Offeree shares in respect of which the Offeror has received an undertaking by any shareholder to accept the Offer	None

5. CONDITIONS OF THE OFFER

In terms of Rule 31(2) of the Code, offers made under Rule 31 shall be conditional only upon the Offeror having received acceptances in respect of shares which, together with shares acquired or agreed to be acquired before or during the offer will result in the Offeror holding shares carrying more than fifty per centum (50%) of the voting rights.

As stated above, the shareholding of the Offeror is 11,276,839, constituting a total holding of 37.59% shares of the Offeree, and therefor, **this offer <u>is not</u> "Unconditional as to acceptance"**

"**Unconditional as to acceptance**" shall mean; "The Offeror must accept and pay for all shares tendered at the offer price while the shareholders of the Offeree lose their right to withdraw the shares"

Although the offeror only holds 37.59% of the shares of the offeree, The Offeror hereby agrees to accept and pay for any valid acceptance received (notwithstanding the Offeror not receiving Acceptances, which will result in the Offeror holding shares carrying more than 50% of the voting rights.)

It must be noted that **"acceptance"** by a shareholder shall mean acceptance in accordance with the procedure set out in the Offer Document.

6. FURTHER DETAILS OF THE OFFER

A detailed Mandatory Offer Document, providing other relevant information, (including the period during which the offer will be kept open in accordance with the aforementioned Company Take-Overs and Mergers Code,) will be forwarded to all shareholders of the Offeree within thirty-five (35) days from the date of incurring the obligation to make the Mandatory Offer.

A shareholder who does not receive a copy of the Mandatory Offer Document due to a postal delay or any other reason is advised to collect a copy of the Mandatory Offer Document from the Registrars to the Offer, SSP Corporate Services (Private) Limited, No. 101, Inner Flower Road, Colombo 3, Telephone No. 011 2573894 / 011 2576871.

The Offeror would upload the Mandatory Offer document to the company portal of the Colombo Stock Exchange website.

The Directors of the Offeror doth hereby declare and confirm that this Announcement has been seen and approved by them and that they collectively and individually accept full responsibility for the accuracy and completeness of the information given in this Announcement and confirm to the best of their knowledge that there are no other facts, the omission of which would make any statements herein misleading.

By Order of the Board
UDAPUSSELLAWA PLANTATIONS PLC

Dr P S H Uluwaduge
Director

Mrs. V G S S Kotakadeniya
Director

Dated 10th April 2025