

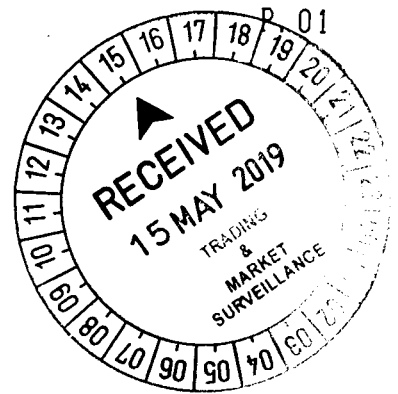
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George Steuart & Co
BELIEVE



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 GEORGE STEUART AND COMPANY LIMITED - TO PURCHASE 30,214,858 ORDINARY SHARES OF CITRUS LEISURE PLC

BACKGROUND TO THE OFFER

George Steuart and Company Limited and its holding company, Divasa Equity (Pvt) Ltd held 27,501,500 shares (28.455%) and 9,592,488 shares (9.925%) respectively of Citrus Leisure PLC as at 9th May 2019, aggregating to 37,093,988 shares constituting 38.38% of the issued shares of Citrus Leisure PLC.

At the recently concluded issue of shares by way of Rights, the Board of Directors of Citrus Leisure PLC (REEF) on 10th May 2019 allotted to George Steuart and Company Limited (George Steuart) 153,802,734 [of which 49,502,700 was their Entitlement and 104,300,034 were Additional's] Ordinary Voting Shares of REEF, at a price of Rs.5/- per share of a total value of Rs.769,013,670/- [additionally Divasa Equity (Pvt) Ltd was allotted 16,723,758 (as Entitlement) Ordinary Voting Shares of REEF at a price of Rs.5/- per share of a total value of Rs.83,618,790/-].

Pursuant to the aforesaid allotment of shares, by way of Rights, the total number of shares held by George Steuart increased to 181,304,234 constituting 67.846% of the total number of shares in issue in REEF (post issue) from its previous holding of 28.455% [additionally the number of shares held by Divasa Equity (Pvt) Ltd increased to 26,316,246 constituting 9.848% of the total number of shares in issue in REEF (post issue) from its previous holding of 9.925%]. Consequently, George Steuart became obligated in terms of Rule 31(1) (b) of the Company Take-overs and Mergers Code 1995 (as amended in 2003) [the said Code] to make an offer to the remaining shareholders of REEF [excluding Divasa Equity (Pvt) Ltd, which holds 26,316,246 shares constituting 9.848% and D S Jayaweera who holds 30,240 shares and V S F Amunugama who holds 30,240 shares, who are parties acting in concert], to purchase the balance shares in issue of 59,548,763 shares constituting 22.284%, at a price of Rs.5/- per share (being the highest price paid by George Steuart and/or the parties acting in concert for the shares of REEF, twelve months preceding 10th May, 2019).

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

"Where any person together with persons, acting in concert with such person, holds not less than thirty per centum and not exceeding fifty per centum of the voting rights of a company and such person or any persons acting in concert with him acquires in any period of twelve months, additional shares carrying more than two per centum of the voting rights,

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



1. TERMS OF THE OFFER

George Steuart and Company Ltd [hereinafter referred to as the Offeror] although obligated to purchase 59,548,763 shares of Citrus Leisure PLC (hereinafter referred to as the Offeree), due to several shareholders of the Offeree holding 29,333,905 shares having informed the Offeror that they would not be accepting the offer to purchase their shares, the Offeror is now obligated to purchase as aforesaid only 30,214,858 shares. The Offeror therefore offers to purchase from the shareholders of Offeree, 30,214,858 ordinary shares at the price of Rs.5/- per share being the price at which the Offeror acquired the shares of the Offeree on 10th May 2019 pursuant to the allotment by way of Rights, which is the highest price paid by the Offeror and/or the parties acting in concert with the Offeror, during the period from 11th May 2018 to 10th May 2019.

2. THE IDENTITY OF THE OFFEROR

George Steuart and Company Limited was incorporated under the Companies Ordinance, No. 51 of 1938 on 22nd March 1944, as a private company under the name George Steuart and Company (Private) Limited and re-registered under the Companies Act, No. 7 of 2007 on 26th March 2008. The Company changed its status on 19th October 2010 to a public company whereupon it was named as George Steuart and Company Limited.

The Offeror is registered at the Registrar General of Companies under Company Registration No. PV 3049 PB. The registered office of the Offeror is at No. 439, Galle Road, Colombo 3.

The Directors of the Offeror are D S Jayaweera, I. A I Karunathilaka, S K Senadheera, J M B Pilimalalawwe, P V S Premawardhana and D Pathmanathan.

The Stated Capital of the Offeror is Rs.412,119,000/- represented by 5,761,200 shares of which 4,986,800 shares constituting 86.55% are held by the Divasa Equity (Pvt) Ltd.

During Financial Year 2018/19, the principal activities of the Offeror and its subsidiaries were :

Company	Activities
George Steuart and Company Limited	Renting out premises, royalty fee from subsidiaries and providing corporate research planning services for group of companies
George Steuart Aviation (Pvt) Ltd	Operating as the general sales agent for Delta Airlines and Philippine Airlines in Sri Lanka
George Steuart Capital (Pvt) Ltd	Providing financial consultancy services
George Steuart Health (Pvt) Ltd	Wholesale and retail sale of pharmaceuticals
George Steuart Insurance Brokers (Pvt) Ltd	Providing Insurance Brokering Operations
George Steuarts Investments (Pvt) Ltd	Providing intermediary financial services
George Steuart Laboratories (Pvt) Ltd	Manufacturing of detergent products
George Steuart Optimize (Pvt) Ltd	Providing IT Services and Systems Consultants



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George Steuarts Recruitment (Pvt) Ltd	Recruitment of manpower for overseas principals
George Stuart Solutions (Pvt) Ltd	Sale of imported and locally purchased LED bulbs, air-conditioners etc.
George Stuart Teas (Pvt) Ltd	Export of tea in bulk, packets and bags
George Stuart Travels Ltd	Operation of tours & travels
Wekanda Building & Property Company (Pvt) Ltd	Renting out property
George Stuart Exports (Pvt) Ltd	The company did not have any operations during the year
George Stuart Telecom (Pvt) Ltd	The company did not have any operations during the year
George Stuart Holidays (Pvt) Ltd	The company has ceased operations
George Stuart Industries (Pvt) Ltd	The company has ceased operations
James Steuart (Pvt) Ltd	The company has ceased operations

3. EXISTING SHAREHOLDING IN THE OFFEREE COMPANY

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|--|---|
| (aa) The number of Offeree shares the Offeror owns or over which the Offeror has control | 181,304,234
(67.846%) |
| (bb) The number of Offeree shares owned or controlled by any person acting in concert with the Offeror | 26,376,726 (9.87%)
[shares held by Divasa Equity (Pvt) Ltd, D S Jayawera and V S F Amunugama two Directors of Divasa Equity (Pvt) Ltd] |
| (cc) The number of Offeree shares in respect of which the Offeror has received an undertaking by any shareholder to accept the Offer | Nil |

4. 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 and persons acting in concert with the Offeror holding shares carrying more than fifty per centum (50%) of the voting rights.



However, the Offeror having already acquired more than 51% of the Voting rights of the Offeree, the Offeror declares that this Offer is at the very outset **"Unconditional as to acceptances"**.

It must be noted that **"acceptance"** by a shareholder shall mean the acceptance according to the procedure set out in the Offer Document referred to Clause 5 herein, being complied with.

"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"*

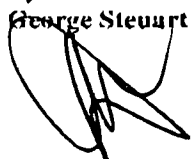
5. **FURTHER DETAILS OF THE OFFER**

A detailed Mandatory Offer Document giving other relevant information including the period during which the offer would be kept open in terms of the aforesaid 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, P W Corporate Secretarial (Pvt) Ltd, 3/17 Kynsey Road, Colombo 08 (Tel. No. 011 4640360-3).

The Board of Directors of George Steuart and Company Limited, hereby declare and confirm that this Announcement has been seen and approved by the Board of Directors and that they accept full responsibility for the accuracy and completeness of the information given in this Announcement, and confirms to the best of his knowledge that there are no other facts, the omission of which would make any statements herein misleading.

By Order of the Board
George Steuart and Company Limited


D S Jayuweera
Chairman


S K Senadheera
Director

On this 15th day of May 2019.