

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

CITRUS LEISURE PLC

Corporate Disclosure under Section 8 of the Listing Rules of the Colombo Stock Exchange

Citrus Leisure PLC hereby conveys, in terms of Section 8 of the Listing Rules of the Colombo Stock Exchange, a decision of its Board of Directors of a proposed Group Restructure which is to take place **subject to and only upon receiving** the relevant approvals from Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka, shareholders of the Company, and the shareholders of Hikkaduwa Beach Resort PLC, Kalpitiya Beach Resort PLC and Passikudah Beach Resorts Ltd, the companies involved in the Restructure all of which are subsidiary companies of Citrus Leisure PLC and the concurrence of the Lenders.

- (i) Hikkaduwa Beach Resort PLC (CITH) is to make a Voluntary Offer in terms of the Company Take-overs and Mergers Code 1995 (as amended in 2003) (the Code) to purchase 201,746,915 shares of Waskaduwa Beach Resort PLC (CITW) constituting the 100% of the shares in issue, at a consideration of 5 shares of CITH being issued for every 12 shares of CITW held by a shareholder of CITW ; consequently, new shares not exceeding 84,061,215 of CITH would be issued to CITW shareholders, depending on the level of acceptance of the Voluntary Offer.

The said new shares of CITH being issued at an issue price of Rs.24/- per share was considered by the Board of CITH as fair and reasonable to CITH and to the existing shareholders of CITH.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

[Citrus Leisure PLC holds 138,436,501 shares of CITW (constituting 68.62% of the shares in issue of CITW) and therefore, subject to the conditions set out above being fulfilled, will be issued with 57,681,875 shares of CITH as consideration for accepting the Voluntary Offer, in respect of its shareholding in CITW].

CITH (the Offeror) today made an Offer to the Board of CITW (the Offeree) in terms of Rule 3 of the Code and simultaneously, forwarded an Announcement in terms of Rule 9 of the Code to the Securities and Exchange Commission of Sri Lanka (SEC) for the approval of the SEC as required by Rule 18 of the Code.

- (ii) CITH (amalgamated company) is to amalgamate with Kalpitiya Beach Resort PLC (CITK), (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that a shareholder of CITK holding 12 shares shall receive 5 shares of CITH; consequently, up to 67,166,754 new shares of CITH will be issued to CITK shareholders in place of 161,200,210 shares held by the shareholders in CITK;

The said new shares of CITH being issued at an issue price of Rs.24/- per share was considered by the Board of CITH as fair and reasonable to CITH and to the existing shareholders of CITH.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

[Citrus Leisure PLC holds 111,653,901 shares of CITK (constituting 69.26% of the shares in issue of CITK) and therefore, subject to the conditions set out above being fulfilled, will be issued with 46,522,458 shares of CITH, in place of its shareholding in CITK].

- (iii) CITH (amalgamated company) is to amalgamate with Passikudah Beach Resorts Ltd (PBR), (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that the sole shareholder of PBR, namely Citrus Leisure PLC, holding 1 share shall receive 688,268 shares of CITH; consequently, subject to the conditions set out above being fulfilled, 688,268 new shares of CITH will be issued to Citrus Leisure PLC, in place of the share it holds in PBR.

The said new shares of CITH being issued at an issue price of Rs.24/- per share was considered by the Board of CITH as fair and reasonable to CITH and to the existing shareholders of CITH.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

The proposed Group Restructure will be proceeded subject to CITH receiving the approval of the Colombo Stock Exchange for listing of shares of the Company arising from (i) (ii) and (iii) above, in terms of the Listing Rules with particular reference to private placement of shares, a waiver as set out in Rule 5.4b of the Listing Rules from the Securities and Exchange Commission of Sri Lanka (SEC) to implement issue of shares which exceeds 20% of the shares in issue of CITH by way of a private placement of shares, the approval of the SEC under the Code for the Voluntary Offer and the concurrence of the Lenders.

The proposed Group Restructure which is set out above is to be effective subject to the Condition that, ALL the Special Resolutions for the Restructure placed before the shareholders of the relevant companies are carried with the required majority, and subject also to the aggregate payout obligation/s (if any) of the relevant companies based on buy back request/s from dissenting shareholder/s, not exceeding a total of Rupees 250.0 million (Rupees two hundred and fifty million) for the Restructuring Proposal to be financially viable.

The Board of Citrus Leisure PLC has decided that subject to the Conditions aforesaid and subject to receiving the Company's shareholders' approval for, the disposal of the Company's shares in CITW in exchange for CITH shares pursuant to the Voluntary Offer to be made by CITH and to receive shares of CITH in place of its holding in CITK and PBR through the amalgamations aforesaid, the Company shall accept the said Voluntary Offer and vote in favour of the said amalgamations.

Subject to the Conditions aforesaid, the shares to be issued by CITH through the proposed Group Restructure shall rank equal and pari passu with its existing shares in issue, as at the date of issue of new shares and such new shares are to be listed on the Colombo Stock Exchange.

The aforesaid transactions being major transactions under Section 185 of the Companies Act vis-a-vis Citrus Leisure PLC, falling under Section 92(1)(b) of the Companies Act, which give right to a shareholder dissenting to a resolution/s placed before the meeting to give effect to such transactions, for a minority buy out right in terms of Section 93 of the Companies Act, the Board has decided that the fair and reasonable price of a share with reference to Section 95(1)(a) of the Companies Act to be the six months Volume Weighted Average Price as at close of market on 23rd September 2016.

The Company will make further announcement as to the approvals as may be given by the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka and as the Restructure progresses.

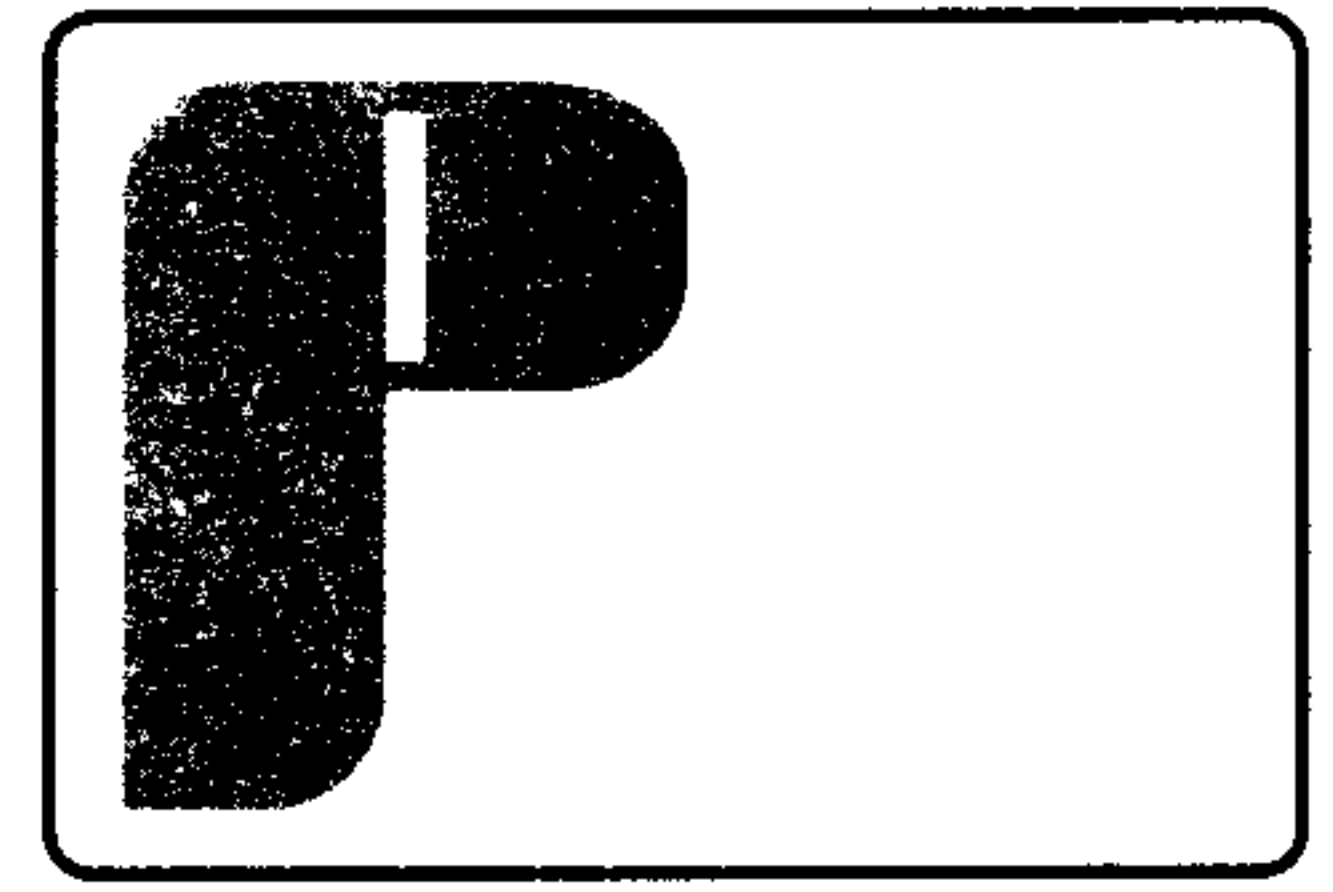
Shareholders attention is drawn to the Announcements made on the Trading Floor today by Hikkaduwa Beach Resort PLC and Kalpitiya Beach Resort PLC pertaining to the Group Restructure.

SHAREHOLDERS ARE ADVISED THAT THEY SHOULD CONSULT THEIR STOCK BROKERS OR OTHER PROFESSIONAL ADVISORS PRIOR TO DEALING IN SHARES OF THE COMPANY.

BY ORDER OF THE BOARD OF
CITRUS LEISURE PLC


P W Corporate Secretarial (Pvt) Ltd
Secretaries

27th day of September 2016



P W Corporate Secretarial (Pvt) Ltd

(Company Registration No. PV 65966)

CITRUS LEISURE PLC

Announcement under Rule 9.3.1(b) of the Listing Rules of the Colombo Stock Exchange

Citrus Leisure PLC hereby conveys in terms of Rule 9.3.1(b) of the Listing Rules of the Colombo Stock Exchange the following proposed Related Party Transactions, pursuant to a decision of its Board of Directors of a proposed Group Restructure, which are to take place **subject to and only upon receiving** the relevant approvals from Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka, shareholders of the Company, and the shareholders of Hikkaduwa Beach Resort PLC, Kalpitiya Beach Resort PLC and Passikudah Beach Resorts Ltd, the companies involved in the Restructure, all of which are subsidiary companies of Citrus Leisure PLC and the concurrence of the Lenders:

- (A) **Date of the Transactions** : Subject to the aforesaid approvals as relevant, dates to be announced later
- (B) **Name of the relevant Related Parties** : Hikkaduwa Beach Resort PLC, Kalpitiya Beach Resort PLC and Passikudah Beach Resorts Ltd
- (C) **Relationship between the Entity and the Related Parties** : Subsidiaries of the Entity
- (D) **Details of the Transactions :**
- (i) Hikkaduwa Beach Resort PLC (CITH) to make a Voluntary Offer in terms of the Company Take-overs and Mergers Code 1995 (as amended in 2003) (the Code) to purchase 201,746,915 shares of Waskaduwa Beach Resort PLC (CITW) constituting the 100% of the shares in issue, at a consideration of 5 shares of CITH being issued for every 12 shares of CITW held by a shareholder of CITW.

Consequently, new shares not exceeding 84,061,215 of CITH would be issued to CITW shareholders, depending on the level of acceptance of the Voluntary Offer.

The said new shares of CITH being issued at an issue price of Rs.24/- per share was considered by the Board of CITH as fair and reasonable to CITH and to the existing shareholders of CITH.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

- (ii) CITH (amalgamated company) to amalgamate with Kalpitiya Beach Resort PLC (CITK) (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that a shareholder of CITK holding 12 shares shall receive 5 shares of CITH.

Consequently, upto 67,166,754 new shares of CITH will be issued to CITK shareholders in place of 161,200,210 shares held by the shareholders in CITK.

The said new shares of CITH being issued at an issue price of Rs.24/- per share was considered by the Board of CITH as fair and reasonable to CITH and to the existing shareholders of CITH.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

- (iii) CITH (amalgamated company) is to amalgamate with Passikudah Beach Resorts Ltd (PBR) (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that the sole shareholder of PBR holding 1 share shall receive 688,268 shares of CITH.

Consequently, 688,268 new shares of CITH will be issued to the sole shareholder of PBR, namely, Citrus Leisure PLC

The said new shares of CITH being issued at an issue price of Rs.24/- per share was considered by the Board of CITH as fair and reasonable to CITH and to the existing shareholders of CITH.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

(E) Rationale for entering into the Transactions

The Related Party Transactions referred to herein arose pursuant to a decision of the Board on 23rd September 2016 as recommended by the Management of the Group, to restructure the Group involving Citrus Leisure PLC, Hikkaduwa Beach Resort PLC, Kalpitiya Beach Resort PLC, Waskaduwa Beach Resort PLC and Passikudah Beach Resorts Ltd, to achieve higher levels of fiscal and management efficiency within the Group Companies engaged in tourism and leisure related sectors, by optimizing and unearthing the collective strengths and synergies within the Group.

(F) Statement by the Related Party Transactions Review Committee of the Company

The Related Party Transactions Review Committee has reviewed the aforementioned transactions and was of the view that the said transactions were on normal commercial terms, and were not prejudicial to the interests of the Company and its minority shareholders.

The Related Party Transactions Review Committee has obtained the services of NDB Investment Bank Limited, functioning as the Financial Advisors to the Group Restructuring, prior to forming its view on the transactions.

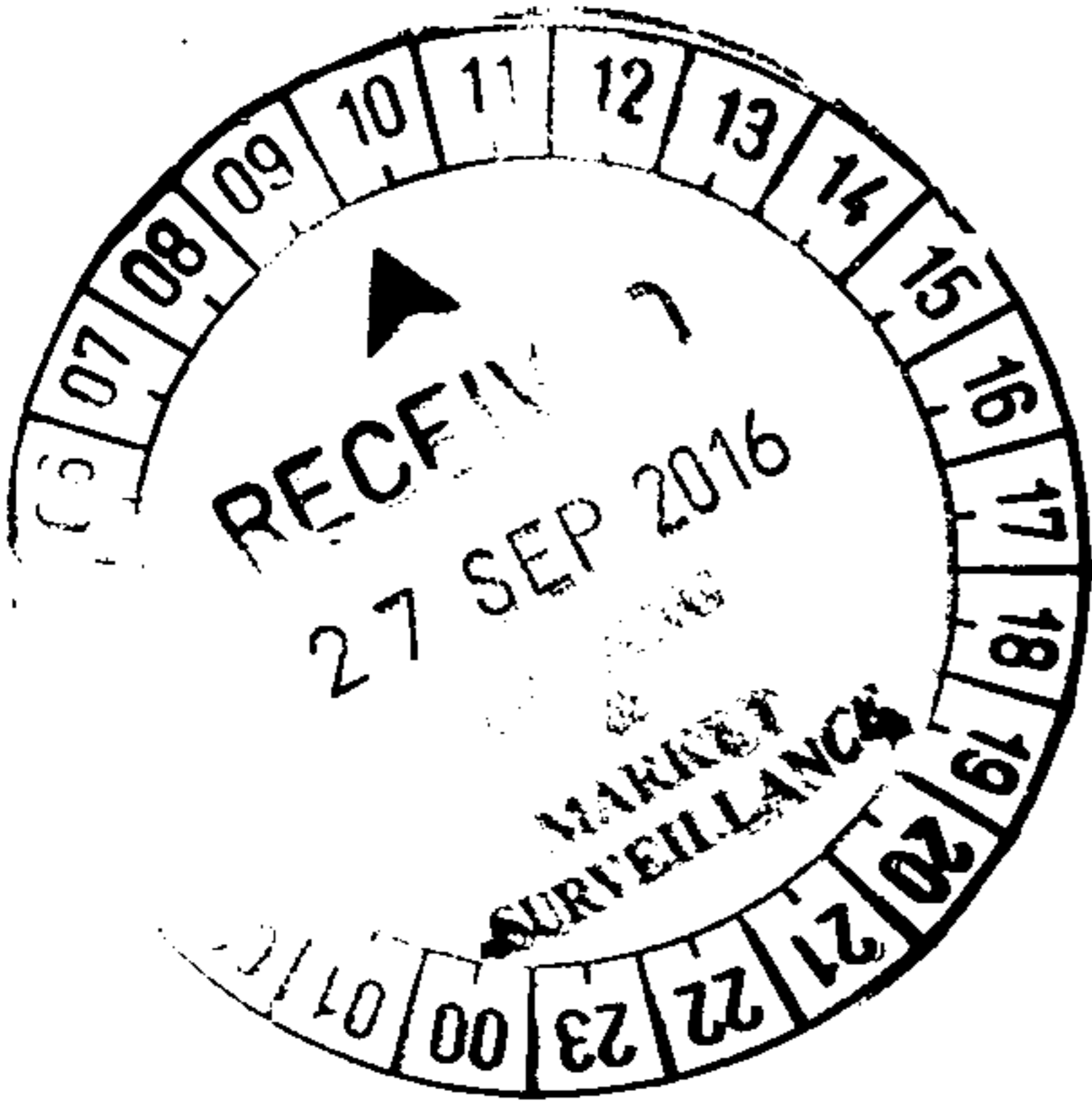
- (G) (i) The aggregate value of transactions with CITH for the current Financial Year (2016/17) which includes the proposed transactions is Rs.2,549,619,634/-
- (ii) The aggregate value of transactions with CITK for the current Financial Year (2016/17) is Rs.1,176,254,695/-
- (iii) The aggregate value of transactions with PBR for the current Financial Year (2016/17) is Rs.4,975,376/-
- (iv) The aggregate value of all Related Party Transactions for the current Financial Year (2016/17) is Rs.5,223,749,552/-

**BY ORDER OF THE BOARD OF
CITRUS LEISURE PLC**

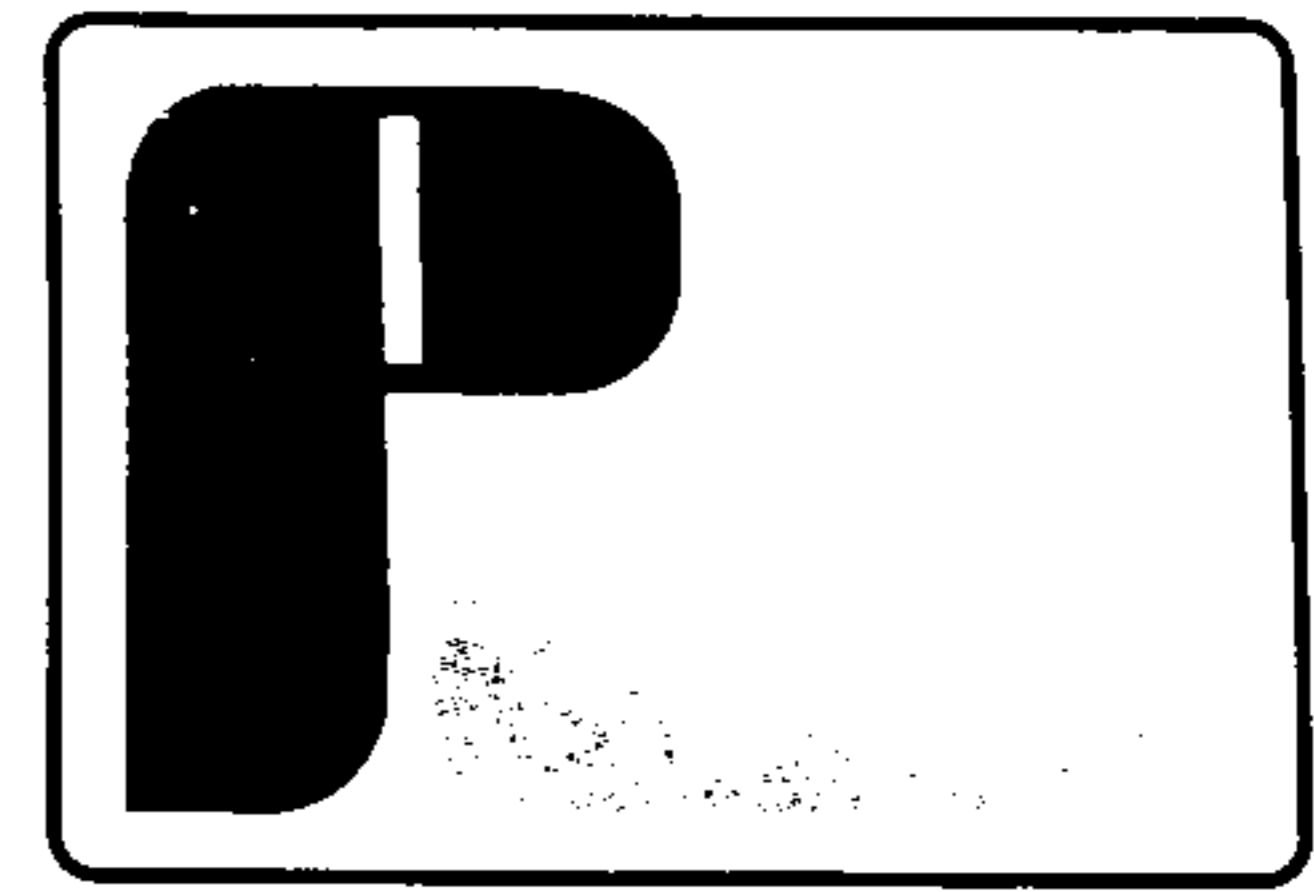


**P W Corporate Secretarial (Pvt) Ltd
Secretaries**

27th day of September 2016



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

KALPITIYA BEACH RESORT PLC

Corporate Disclosure under Section 8 of the Listing Rules of the Colombo Stock Exchange

In terms of Section 8 of the Listing Rules of the Colombo Stock Exchange, Kalpitiya Beach Resort PLC hereby conveys a decision of its Board of Director of a proposed amalgamation (as part of a Group Restructure) which is to take place **subject to and only upon receiving** the relevant approvals from Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka, shareholders of the Company, and the shareholders Citrus Leisure PLC, Hikkaduwa Beach Resort PLC and Passikudah Beach Resorts Ltd, the companies involved in the Restructure and the concurrence of the Lenders.

Hikkaduwa Beach Resort PLC (CITH) (amalgamated company) is to amalgamate with the Company (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007]; the consideration being, that a shareholder of the Company holding 12 shares shall receive 5 shares of CITH; consequently, up to 67,166,754 new shares of CITH will be issued to the shareholders of the Company in place of 161,200,210 shares held by the shareholders in the Company.

The said new shares of CITH being issued at an issue price of Rs.24/- per share was considered by the Board of CITH as fair and reasonable to CITH and to the existing shareholders of CITH.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

The proposed Group Restructure will be proceeded subject to CITH receiving the approval of the Colombo Stock Exchange for listing of shares of the Company arising from the above, in terms of the Listing Rules with particular reference to private placement of shares, a waiver as set out in Rule 5.4b of the Listing Rules from the Securities and Exchange Commission of Sri Lanka (SEC) to implement issue of shares which exceeds 20% of the shares in issue of CITH by way of a private placement of shares, the approval of the SEC under the Code for the Voluntary Offer and the concurrence of the Lenders.

The proposed Group Restructure is to be effective subject to the Condition that, **ALL** the Special Resolutions for the Restructure placed before the shareholders of the relevant companies are carried with the required majority, and subject also to the aggregate payout obligation/s (if any) of the relevant companies based on buy back request/s from dissenting shareholder/s, not exceeding a total of Rupees 250.0 million (Rupees two hundred and fifty million) for the Restructuring Proposal to be financially viable.

The Board has been informed that the Board of Citrus Leisure PLC has decided, subject to the Conditions aforesaid and subject to receiving the Citrus Leisure PLC's shareholders' approval for Citrus Leisure PLC to receive shares of CITH in place of Citrus Leisure PLC's holding in the Company through the amalgamation aforesaid, Citrus Leisure PLC shall vote in favour of the said amalgamation.

Subject to the Conditions aforesaid, the shares to be issued by CITH through the proposed Group Restructure shall rank equal and pari passu with the existing shares in issue of CITH, as at the date of issue of new shares and such new shares are to be listed on the Colombo Stock Exchange.

The aforesaid amalgamation falling under Section 92(1)(c) of the Companies Act , which gives right to a shareholder dissenting to the resolution placed before the meeting to give effect to such amalgamation, for a minority buy out right in terms of Section 93 of the Companies Act, the Board resolved that the fair and reasonable price of a share with reference to Section 95(1)(a) to be the six months Volume Weighted Average Price as at close of market on 23rd September 2016.

The Company will make further announcements as to the approvals as may be given by the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka and as the Restructure progresses.

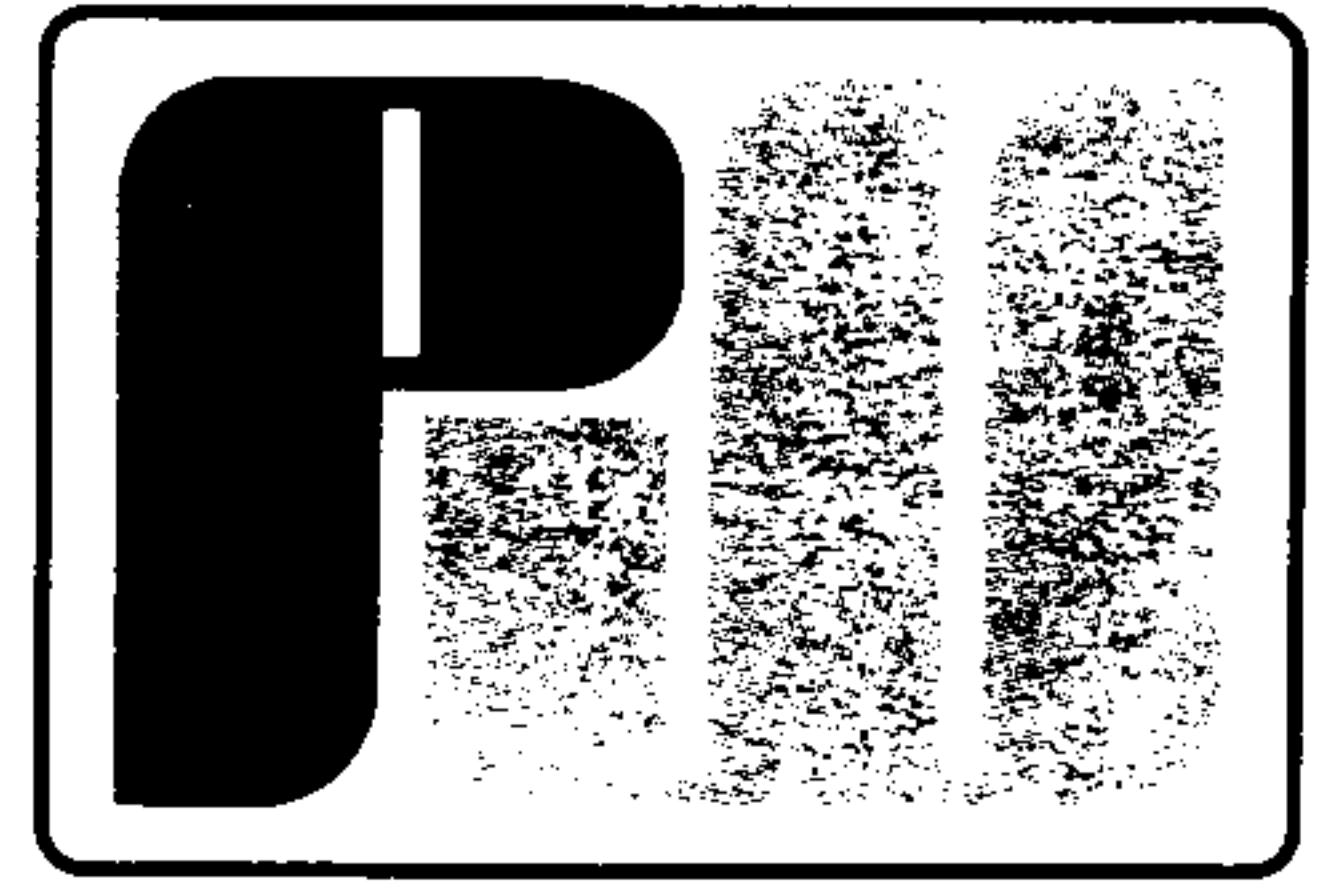
Shareholders attention is drawn to the Announcements made on the Trading Floor today by Citrus Leisure PLC and Hikkaduwa Beach Resort PLC pertaining to the Group Restructure.

SHAREHOLDERS ARE ADVISED THAT THEY SHOULD CONSULT THEIR STOCK BROKERS OR OTHER PROFESSIONAL ADVISORS PRIOR TO DEALING IN SHARES OF THE COMPANY.

**BY ORDER OF THE BOARD OF
KALPITIYA BEACH RESORT PLC**

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**P W Corporate Secretarial (Pvt) Ltd
Secretaries**

27th day of September 2016



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

KALPITIYA BEACH RESORT PLC

Announcement under Rule 9.3.1(b) of the Listing Rules of the Colombo Stock Exchange

Kalpitiya Beach Resort PLC hereby conveys in terms of Rule 9.3.1(b) of the Listing Rules of the Colombo Stock Exchange, the following proposed Related Party Transaction, pursuant to a decision of its Board of Directors of a proposed Amalgamation pursuant to a Group Restructure, which is to take place **subject to and only upon receiving** the relevant approvals from Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka, shareholders of the Company, and the shareholders of Citrus Leisure PLC, Hikkaduwa Beach Resort PLC, Passikudah Beach Resorts Ltd and the Company, the companies involved in the Restructure, all of which are related companies and the concurrence of the Lenders:

- (A) **Date of the Transactions** : Subject to the aforesaid approvals as relevant, dates to be announced later
- (B) **Name of the relevant Related Parties** : Citrus Leisure PLC and Hikkaduwa Beach Resort PLC
- (C) **Relationship between the Entity and the Related Parties** : Citrus Leisure PLC is the holding company of the Company and Hikkaduwa Beach Resort PLC is a subsidiary of Citrus Leisure PLC.
- (D) **Details of the Transaction :**

Hikkaduwa Beach Resort PLC (CITH) (amalgamated company) is to amalgamate with the Company (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that a shareholder of the Company holding 12 shares shall receive 5 shares of CITH.

Consequently, upto 67,166,754 new shares of the CITH will be issued to the Company's shareholders in place of 161,200,210 shares held by the shareholders in the Company.

The said new shares of CITH being issued at an issue price of Rs.24/- per share was considered by the Board of CITH as fair and reasonable to CITH and to the existing shareholders of CITH.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

(E) **Rationale for entering into the Transaction**

The Related Party Transaction referred to herein arose pursuant to a decision of the Board on 23rd September 2016 as recommended by the Management of the Group, to restructure the Group involving Citrus Leisure PLC, Hikkaduwa Beach Resort PLC, Waskaduwa Beach Resort PLC, Passikudah Beach Resorts Ltd and the Company, to achieve higher levels of fiscal and management efficiency within the Group Companies engaged in tourism and leisure related sectors, by optimizing and unearthing the collective strengths and synergies within the Group.

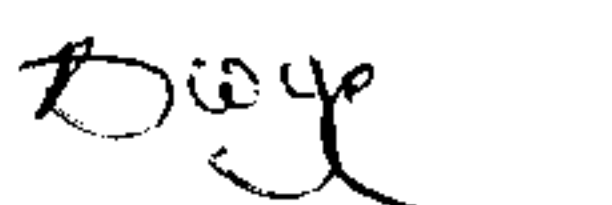
(F) **Statement by the Related Party Transactions Review Committee of the Company**

The Related Party Transactions Review Committee has reviewed the aforementioned transaction and was of the view that the said transaction was on normal commercial terms, and was not prejudicial to the interests of the Company and its minority shareholders.

The Related Party Transactions Review Committee has obtained the services of NDB Investment Bank Limited, functioning as the Financial Advisors to the Group Restructuring, prior to forming its view on the transactions.

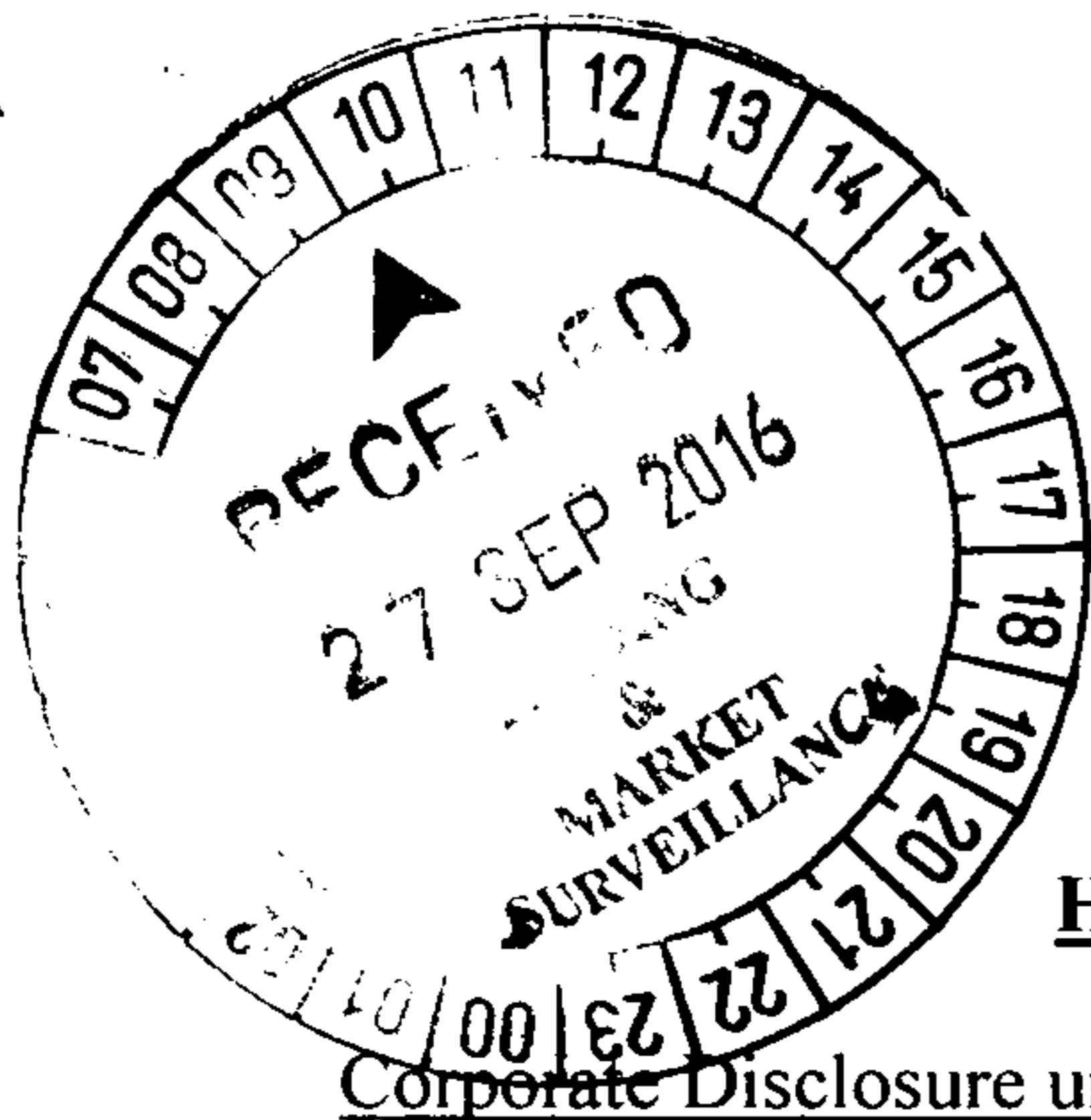
- (G) (i) The aggregate value of transactions with Citrus Leisure PLC for the current Financial Year (2016/17) is Rs.1,176,254,695/-
- (ii) The aggregate value of transactions with CITH for the current Financial Year (2016/17) is Rs.1,134,696,303/-
- (iii) The aggregate value of all Related Party Transactions for the current Financial Year (2016/17) is Rs.2,336,384,807/-

**BY ORDER OF THE BOARD OF
KALPITIYA BEACH RESORT PLC**

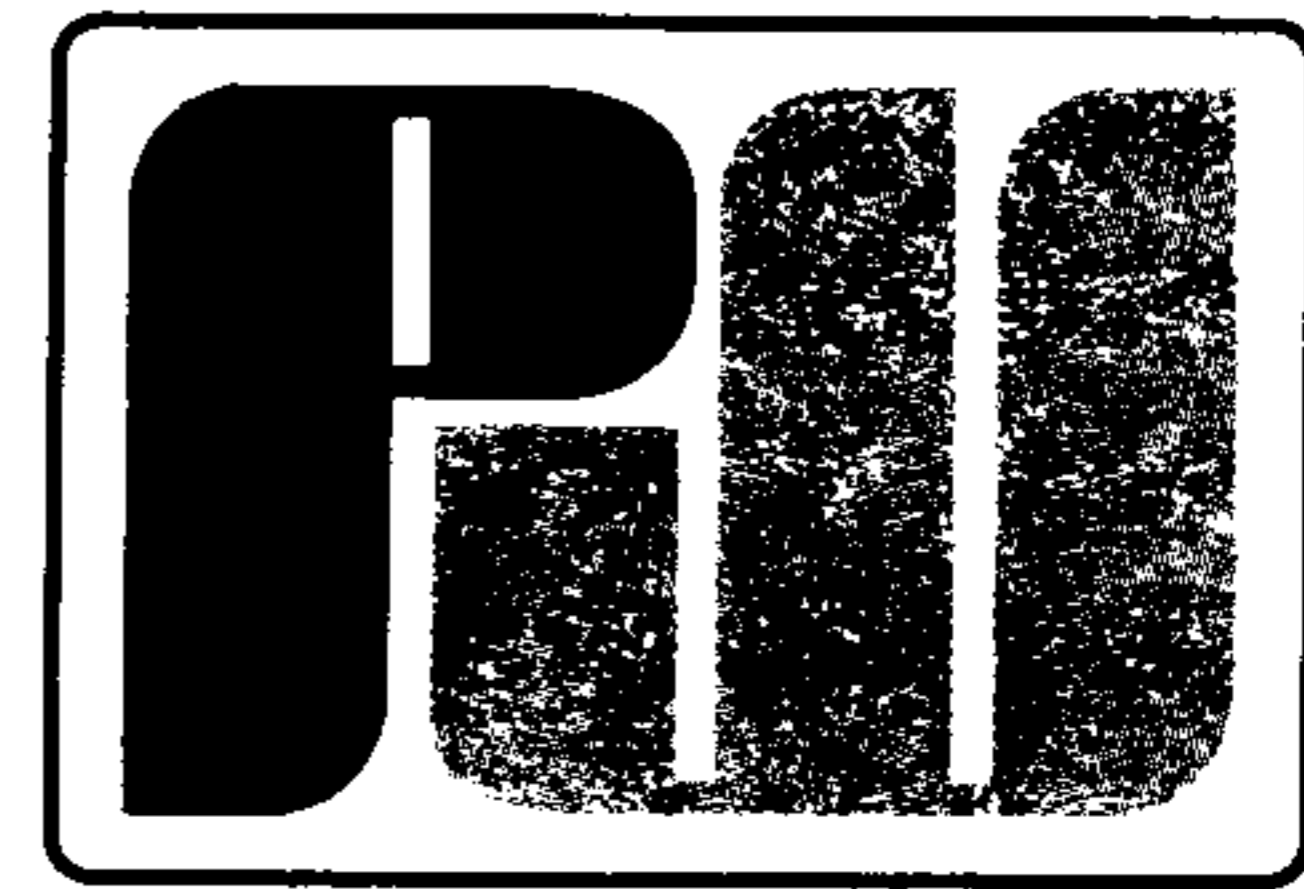


**P W Corporate Secretarial (Pvt) Ltd
Secretaries**

27th day of September 2016



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

HIKKADUWA BEACH RESORT PLC

Corporate Disclosure under Section 8 of the Listing Rules of the Colombo Stock Exchange

Hikkaduwa Beach Resort PLC hereby conveys in terms of Section 8 of the Listing Rules of the Colombo Stock Exchange, a decision of its Board of Directors of a proposed Group Restructure which is to take place **subject to and only upon receiving** the relevant approvals from Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka, shareholders of the Company, and the shareholders of Citrus Leisure PLC, Kalpitiya Beach Resort PLC and Passikudah Beach Resorts Ltd, the companies involved in the Restructure and the concurrence of the Lenders :

- (i) The Company is to make a Voluntary Offer in terms of the Company Take-overs and Mergers Code 1995 (as amended in 2003) (the Code) to purchase 201,746,915 shares of Waskaduwa Beach Resort PLC (CITW) constituting the 100% of the shares in issue, at a consideration of 5 shares of the Company being issued for every 12 shares of CITW held by a shareholder of CITW; consequently, new shares not exceeding 84,061,215 of the Company would be issued to CITW shareholders, depending on the level of acceptance of the Voluntary Offer. The said new shares of the Company being issued at an issue price of Rs.24/- per share was considered by the Board as fair and reasonable to the Company and to the existing shareholders of the Company.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

The Company (the Offeror) today made an Offer to the Board of CITW (the Offeree) in terms of Rule 3 of the Code and simultaneously, forwarded an Announcement in terms of Rule 9 of the Code to the Securities and Exchange Commission of Sri Lanka (SEC) for the approval of the SEC as required by Rule 18 of the Code.

- (ii) The Company (amalgamated company) is to amalgamate with Kalpitiya Beach Resort PLC (CITK) (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that a shareholder of CITK holding 12 shares shall receive 5 shares of the Company; consequently, up to 67,166,754 new shares of the Company will be issued to CITK shareholders in place of 161,200,210 shares held by the shareholders in CITK. The said new shares of the Company being issued at an issue price of Rs.24/- per share was considered by the Board as fair and reasonable to the Company and to the existing shareholders of the Company.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

- (iii) The Company (amalgamated company) is to amalgamate with Passikudah Beach Resorts Ltd (PBR) (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that the sole shareholder of PBR, namely, Citrus Leisure PLC, holding 1 share shall receive 688,268 shares of the Company; consequently, subject to the conditions set out above being fulfilled, 688,268 new shares of the Company will be issued to Citrus Leisure PLC, in place of the share it holds in PBR. The said new shares of the Company being issued at an issue price of Rs.24/- per share was considered by the Board as fair and reasonable to the Company and to the existing shareholders of the Company.

The proposed Group Restructure will be proceeded subject to the Company receiving the approval of the Colombo Stock Exchange for listing of shares of the Company arising from (i) (ii) and (iii) above, in terms of the Listing Rules with particular reference to private placement of shares, a waiver as set out in Rule 5.4b of the Listing Rules from the SEC to implement issue of shares which exceeds 20% of the shares in issue of the Company by way of a private placement of shares, the approval of the SEC under the Code for the Voluntary Offer and the concurrence of the Lenders.

In terms of Rule 5.4e of the Listing Rules, the following further information is provided in respect of the proposed private placement of shares :

- (a) The total number of shares to be issued on the Voluntary Offer and the two amalgamations, which constitute the Group Restructure shall not exceed 151,916,237 shares of the Company.
- (b) The parties to whom the shares are to be allotted are the shareholders of CITW, CITK and PBR.
- (c) The price for which the shares are to be issued is Rs.24/- per share.
- (d) The present Stated Capital of the entity is Rs.778,568,197/-.

The proposed Group Restructure which is set out above is to be effective subject to the Condition that, ALL the Special Resolutions for the Restructure placed before the shareholders of the relevant companies are carried with the required majority, and subject also to the aggregate payout obligation/s (if any) of the relevant companies based on buy back request/s from dissenting shareholder/s, not exceeding a total of Rupees 250.0 million (Rupees two hundred and fifty million) for the Restructuring Proposal to be financially viable.

The Board has been informed that the Board of Citrus Leisure PLC has decided, subject to the Conditions aforesaid and subject to receiving the Citrus Leisure PLC's shareholders' approval for, the disposal of the Citrus Leisure PLC's shares in CITW in exchange for the shares of the Company pursuant to the Voluntary Offer to be made by the Company and to receive shares of the Company in place of Citrus Leisure PLC's holding in CITK and PBR through the amalgamations aforesaid, Citrus Leisure PLC shall accept the said Voluntary Offer and vote in favour of the said amalgamations.

Subject to the Conditions aforesaid, the shares to be issued by the Company through the proposed Group Restructure shall rank equal and pari passu with the existing shares in issue, as at the date of issue of new shares and such new shares are to be listed on the Colombo Stock Exchange.

The aforesaid transactions being major transactions under Section 185 of the Companies Act and falling under Section 92(1)(b) of the Companies Act and additionally the amalgamations falling under Section 92(1)(c) of the Companies Act, which give right to a shareholder dissenting to a resolution/s placed before the meeting to give effect to such transactions, for a minority buy out right in terms of Section 93 of the Companies Act, the Board resolved that the fair and reasonable price of a share with reference to Section 95(1)(a) to be the six months Volume Weighted Average Price as at close of market on 23rd September 2016.

The Company will make further announcements as to the approvals as may be given by the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka and as the Restructure progresses.

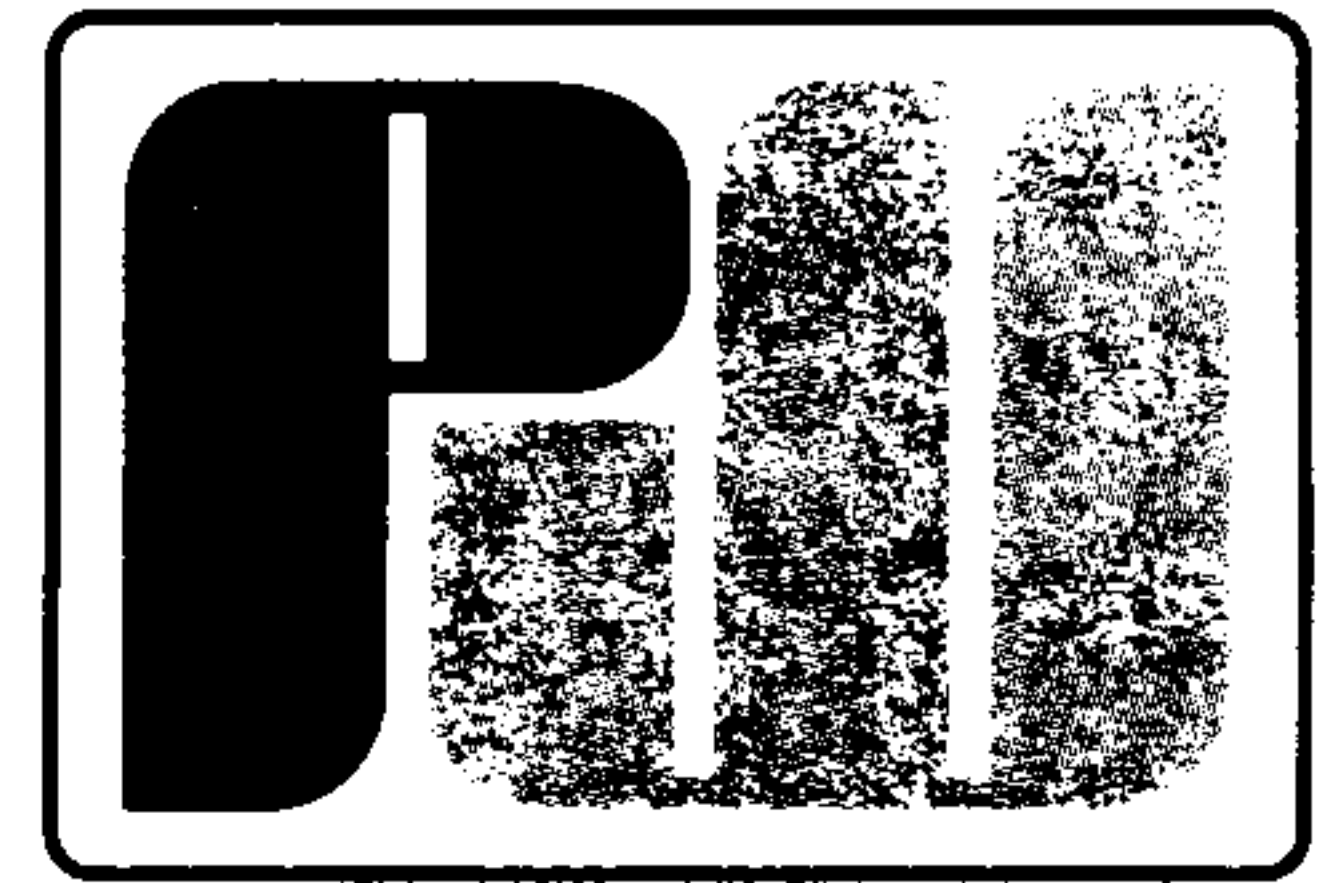
Shareholders attention is drawn to the Announcements made on the Trading Floor today by Citrus Leisure PLC and Kalpitiya Beach Resort PLC pertaining to the Group Restructure.

SHAREHOLDERS ARE ADVISED THAT THEY SHOULD CONSULT THEIR STOCK BROKERS OR OTHER PROFESSIONAL ADVISORS PRIOR TO DEALING IN SHARES OF THE COMPANY.

**BY ORDER OF THE BOARD OF
HIKKADUWA BEACH RESORT PLC**


**P W Corporate Secretarial (Pvt) Ltd
Secretaries**

27th day of September 2016



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

HIKKADUWA BEACH RESORT PLC

Announcement under Rule 9.3.1(b) of the Listing Rules of the Colombo Stock Exchange

Hikkaduwa Beach Resort PLC hereby conveys in terms of Rule 9.3.1(b) of the Listing Rules of the Colombo Stock Exchange the following proposed Related Party Transactions, pursuant to a decision of its Board of Directors of a proposed Group Restructure, which are to take place **subject to and only upon receiving** the relevant approvals from Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka, shareholders of the Company, and the shareholders of Citrus Leisure PLC, Kalpitiya Beach Resort PLC and Passikudah Beach Resorts Ltd, the companies involved in the Restructure, all of which are related companies and the concurrence of the Lenders:

- (A) **Date of the Transactions** : Subject to the aforesaid approvals as relevant, dates to be announced later
- (B) **Name of the relevant Related Parties** : Citrus Leisure PLC, Kalpitiya Beach Resort PLC and Passikudah Beach Resorts Ltd
- (C) **Relationship between the Entity and the Related Parties** : Citrus Leisure PLC is the holding company of the Company and Kalpitiya Beach Resort PLC and Passikudah Beach Resorts Ltd are subsidiaries of Citrus Leisure PLC.
- (D) **Details of the Transactions :**
- (i) The Company is to make a Voluntary Offer in terms of the Company Take-overs and Mergers Code 1995 (as amended in 2003) (the Code) to purchase 201,746,915 shares of Waskaduwa Beach Resort PLC (CITW) constituting the 100% of the shares in issue, at a consideration of 5 shares of the Company being issued for every 12 shares of CITW held by a shareholder of CITW.

Consequently, new shares not exceeding 84,061,215 of the Company would be issued to CITW shareholders, depending on the level of acceptance of the Voluntary Offer.

The said new shares of the Company being issued at an issue price of Rs.24/- per share was considered by the Board of the Company as fair and reasonable to the Company and to the existing shareholders of the Company.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

- (ii) The Company (amalgamated company) is to amalgamate with Kalpitiya Beach Resort PLC (CITK) (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that a shareholder of CITK holding 12 shares shall receive 5 shares of the Company.

Consequently, upto 67,166,754 new shares of the Company will be issued to CITK shareholders in place of 161,200,210 shares held by the shareholders in CITK.

The said new shares of the Company being issued at an issue price of Rs.24/- per share was considered by the Board of the Company as fair and reasonable to the Company and to the existing shareholders of the Company.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

- (iii) The Company (amalgamated company) is to amalgamate with Passikudah Beach Resorts Ltd (PBR) (amalgamating company) [through a long form of amalgamation referred to in section 241 of the Companies Act, No.7 of 2007], the consideration being, that the sole shareholder of PBR holding 1 share shall receive 688,268 shares of the Company.

Consequently, 688,268 new shares of the Company will be issued to the sole shareholder of PBR, namely, Citrus Leisure PLC

The said new shares of the Company being issued at an issue price of Rs.24/- per share was considered by the Board of the Company as fair and reasonable to the Company and to the existing shareholders of the Company.

Any fractional shares arising based on the aforesaid proportion to be settled in cash.

(E) Rationale for entering into the Transactions

The Related Party Transactions referred to herein arose pursuant to a decision of the Board on 23rd September 2016 as recommended by the Management of the Group, to restructure the Group involving Citrus Leisure PLC, Kalpitiya Beach Resort PLC, Waskaduwa Beach Resort PLC, Passikudah Beach Resorts Ltd and the Company, to achieve higher levels of fiscal and management efficiency within the Group Companies engaged in tourism and leisure related sectors, by optimizing and unearthing the collective strengths and synergies within the Group.

(F) Statement by the Related Party Transactions Review Committee of the Company

The Related Party Transactions Review Committee has reviewed the aforementioned transactions and was of the view that the said transactions were on normal commercial terms, and were not prejudicial to the interests of the Company and its minority shareholders.

The Related Party Transactions Review Committee has obtained the services of NDB Investment Bank Limited, functioning as the Financial Advisors to the Group Restructuring, prior to forming its view on the transactions.

- (G) (i) The aggregate value of transactions with Citrus Leisure PLC for the current Financial Year (2016/17) which includes the proposed transactions is Rs.2,549,619,634/-.
- (ii) The aggregate value of transactions with CITK for the current Financial Year (2016/17) is Rs.1,134,696,303/-.
- (iii) The aggregate value of transactions with PBR for the current Financial Year (2016/17) is Rs.21,367,054/-.
- (iv) The aggregate value of all Related Party Transactions for the current Financial Year (2016/17) is Rs.5,160,566,131/-.

**BY ORDER OF THE BOARD OF
HIKKADUWA BEACH RESORT PLC**


**P W Corporate Secretarial (Pvt) Ltd
Secretaries**

27th day of September 2016