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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 MELSTACORP LIMITED TO PURCHASE ALL THE REMAINING ORDINARY SHARES OF AITKEN SPENCE PLC (PQ 120)

BACKGROUND TO THE OFFER

Melstacorp Limited, a company incorporated in Sri Lanka (bearing registration no. PV 11755 PB) and having its registered office at No. 110 Norris Canal Road, Colombo 10 (hereinafter referred to as the "Offeror") a 100% owned subsidiary of Distilleries Company of Sri Lanka PLC (bearing registration no. PQ 112) hereby announces that in compliance with the provisions of the Company Takeovers and Mergers Code 1995 (as amended in 2003) (Code) published under the rules made by the Securities and Exchange Commission of Sri Lanka under Section 53 of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 as amended, shall make a mandatory offer to holders of ordinary shares carrying voting rights of Aitken Spence PLC (Aitken Spence) subject to the terms and conditions hereinafter stipulated.

The Offeror together with Distilleries Company of Sri Lanka PLC, Milford Exports (Ceylon) Limited, Stassen Exports Limited and Periceyl (Private) Limited being parties acting in concert, held as at 21st December 2011 449,600 shares, 113,728,925 shares, 4,321,500 shares and 3,244,500 shares and 31,700 shares each respectively, constituting approximately 29.994% of the total number of shares in issue in Aitken Spence.

On 22nd December 2011, by the purchase of a further 61,000 shares by the Offeror at a price of Rs. 110/- per share, which constitutes approximately 0.015% of the shares in issue in Aitken Spence, it has become obligatory in terms of Rule 31(1)(a) of the Code that the Offeror makes a Mandatory Offer to purchase the balance 284,158,820 shares, constituting approximately 69.991% of the issued shares of Aitken Spence at a price of Rs. 110/- per share, being the highest price paid by the Offeror and the parties acting in concert during the period of one year prior upto 22nd December 2011, details of which are provided below;

Party	Date	No. of Ordinary Shares	Percentage
Melstacorp Limited	as at 21 st December 2011	449,600	0.111
	purchased on 22 nd December 2011	61,000	0.015
Distilleries Company of Sri Lanka PLC	as at 21 st December 2011	113,728,925	28.012
Milford Exports (Ceylon) Limited	as at 21 st December 2011	4,321,500	1.064
Stassen Exports Limited	as at 21 st December 2011	3,244,500	0.799
Periceyl (Private) Limited	as at 21 st December 2011	31,700	0.008
Total holding		121,837,225	30.009

1. TERMS OF THE OFFER

The Offeror offers to purchase from the shareholders of Aitken Spence all the ordinary shares (other than the shares already held by the Offeror and the parties acting in concert, namely 121,837,225 shares constituting approximately 30.009%) at a price of Rs. 110/- per share being the price at which the Offeror acquired the shares of Aitken Spence on the trading floor on 22nd December 2011 which is the highest price paid by the Offeror and the parties acting in concert during the period of one year prior to the date on which the obligation to make a Mandatory Offer arose, inclusive of the date of such acquisition. The number of such remaining shares, for which this offer is made, amounts to 284,158,820 shares constituting approximately 69.991% of the total number of shares in issue in Aitken Spence. The offer to be made by the Offeror as herein contemplated shall be open to all ordinary shareholders of Aitken Spence registered in the books of Aitken Spence at the close of the offer.

2. THE IDENTITY OF THE OFFEROR

Melstacorp Limited is a company duly incorporated in Sri Lanka and presently re-registered under the Companies Act No. 7 of 2007 bearing registration no. PV 11755 PB, and is a 100% owned subsidiary of Distilleries Company of Sri Lanka PLC (DCSL) (bearing registration no. PQ 112). The registered Office of the Offeror is situated at No. 110, Norris Canal Road, Colombo 10.

The principal activities of the Offeror consist of investments and investment related activities and functioning as the holding company for subsidiaries, joint ventures, associates, and other investments and to provide guidance, direction and/or management services to the subsidiaries, joint ventures and associates.

Milford Exports (Ceylon) Limited directly and through Lanka Milk Foods (CWE) PLC holds the majority shares of DCSL and the Offeror is a 100% owned subsidiary of DCSL.

Periceyl (Private) Limited is a 100% owned subsidiary of the Offeror.

The shareholders of Milford Exports (Ceylon) Limited are also the shareholders of Stassen Exports Limited and a majority of Directors of both companies consist of common Directors. Further two of the three common Directors of Milford Exports (Ceylon) Limited and Stassen Exports Limited also serve as Directors of DCSL, Periceyl (Private) Limited and also on the Board of the Offeror.

3. EXISTING SHAREHOLDING IN THE OFFEREE COMPANY

- Q*
- [Signature]*
- | | |
|--|-------------|
| (aa) The number of Aitken Spence shares the Offeror owns or over which the Offeror has control | 510,600 |
| (bb) The number of Aitken Spence shares owned or controlled by any person acting in concert with the Offeror | 121,326,625 |

- (cc) The number of Aitken Spence shares in respect of which the Offeror has received an undertaking by any shareholder to accept the Offer Nil

4. **CONDITIONS OF THE OFFER**

The offer shall be unconditional as to acceptance upon the Offeror having received acceptances in respect of shares which will result in the Offeror and parties acting in concert with the Offeror holding shares carrying more than 50% of the voting rights.

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"

However, in the event the Offeror not receiving upto 50% of acceptances, the Offeror hereby undertakes to accept and pay for any valid acceptances received with the written concurrence of the shareholders who accepted the Offer.

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 Aitken Spence within thirty five days (35) days of incurring the obligation to make the Mandatory Offer [on or before 26th January 2012].

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 Offeror at No. 110, Norris Canal Road, Colombo 10.

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

**BY ORDER OF THE BOARD OF
MELSTACORP LIMITED**


**D H S JAYAWARDENE
CHAIRMAN**


**CAPT. K. KAHANDA
DIRECTOR**

This 28th day of December 2011.