

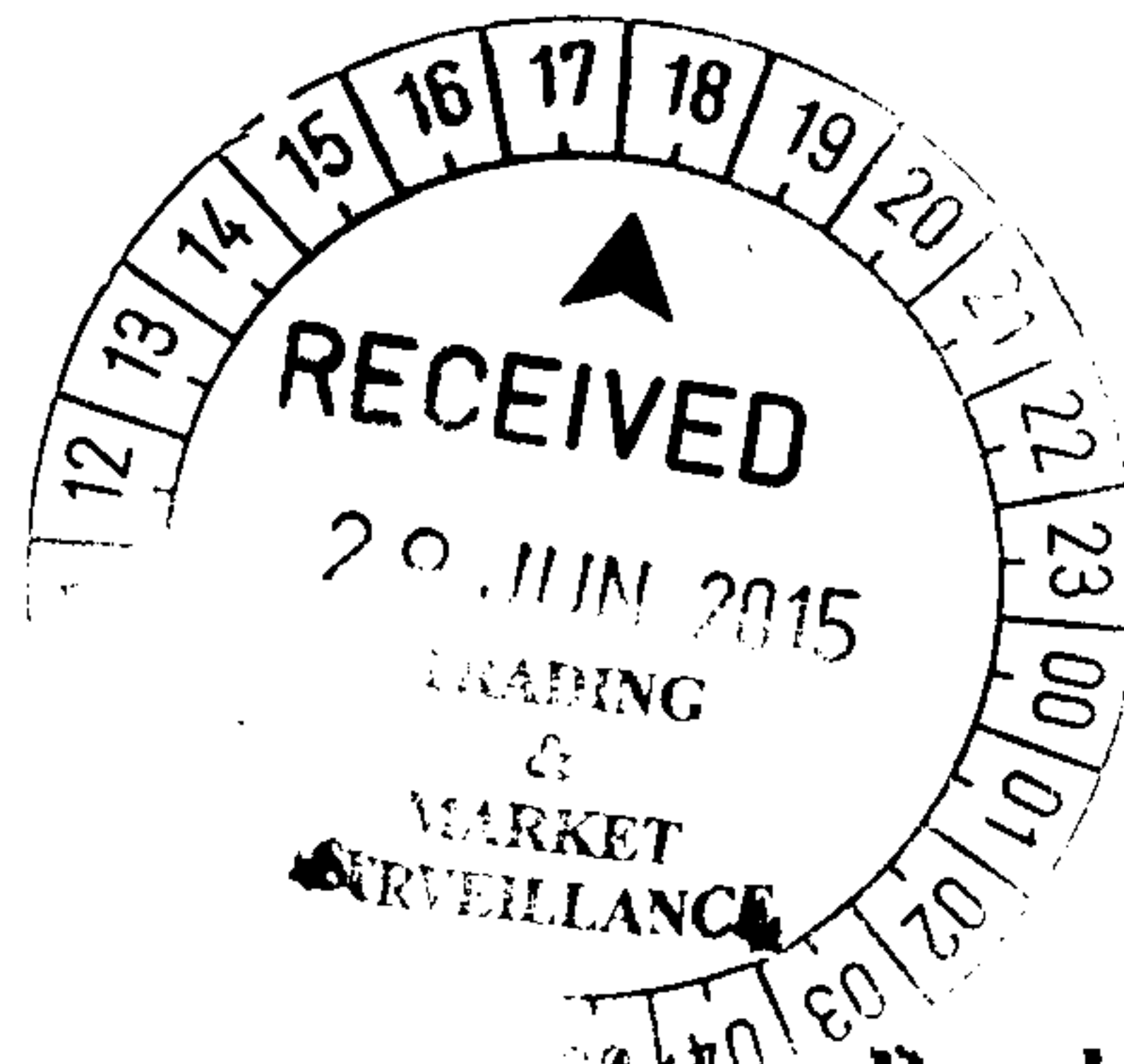
CORPORATE SERVICES (PRIVATE) LIMITED



29th June 2015

By Telefax: 2391128

Colombo Stock Exchange
#04-01 West Block,
World Trade Centre,
Echelon Square,
Colombo 01.



YR/TK
Pls circulate
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Attn: **Renuke Wijeyawardhane**
Chief Operating Officer

Dear Sirs,

Textured Jersey Lanka PLC – Corporate Disclosure

Further to the disclosure made on 12th February 2015 with regard to the initiation of independent valuations and due diligence studies with a view to acquiring a controlling stake in Ocean India (Private) Limited a company that operates a knit fabric manufacturing operation in Visakhapatnam, India (“Ocean India”), the Board of Directors of Textured Jersey Lanka PLC (“TJL”) has decided to acquire, subject to obtaining the necessary corporate and regulatory approvals therefor, the entirety of the issued shares of Ocean Mauritius Limited (Ocean Mauritius), a company incorporated in Mauritius which is the parent company of Ocean India (Ocean Mauritius does not hold shares in any company other than Ocean India).

The total number of shares to be acquired by TJL in Ocean Mauritius Ltd is 35,630,000 and the total consideration payable by TJL to the selling shareholders, namely, Brandix Group (“Brandix”), Jacob BAC Ltd (“Jacob BAC”), Compagnie Mauricenne de Textile Ltee (“CMT”) and Pioneer Elastic Holdings Ltd (“Pioneer”) is USD 15,000,000, which shall be paid to the selling shareholders in the following manner:

- (a) 50% of the consideration amounting to USD 7,500,000 to be paid in cash to the selling shareholders,; and
- (b) The balance 50% of the consideration amounting to USD 7,500,000 to be paid by the issue of shares in TJL to the selling shareholders for the aggregate value of USD 7,500,000 as specified in the table below.

Company number FV 13609

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Name of selling shareholder	Shares to be transferred by the each selling shareholder	Shareholding in Ocean Mauritius	Consideration payable to each selling shareholder	
			Amount of cash payable (in USD)	Value of shares to be issued (in USD)
Brandix	26,790,401	75.19%	5,639,293	5,639,293
Jacob BAC	6,606,162	18.54%	1,390,576	1,390,576
CMT	1,475,787	4.14%	310,648	310,648
Pioneer	757,649	2.13%	159,483	159,483

Brandix currently holds 29.81% of the issued shares of TJJ and is a "related party" of TJJ within the meaning of the Listing Rules of the Colombo Stock Exchange while the remaining Selling Shareholders are not related parties of TJJ in the above context. The total consideration payable to Brandix (in cash as well as in shares of TJJ) under the proposed transaction is USD 11,278,586, which amounts to approximately 21% of the Equity (as defined in the Listing Rules) and 17% of the total assets of TJJ.

Pursuant to the above, the Board of Directors of TJJ has decided to issue, subject to obtaining the necessary corporate and regulatory approvals therefor, 35,197,368 ordinary voting shares of TJJ, by way of a share swap, to the selling shareholders in the following manner, in consideration of the transfer by the selling shareholders to TJJ of 17,815,000 shares in Ocean Mauritius amounting to 50% of their shareholding in Ocean Mauritius.

Name of Selling Shareholder	Number of ordinary shares to be issued to each Selling Shareholder	Total number of shares held in TJJ following allotment	Shareholding in TJJ following allotment
Brandix	26,465,103	223,466,079	32.11%
Jacob BAC	6,525,948	6,525,948	0.94%
CMT	1,457,868	1,457,868	0.21%
Pioneer	748,450	748,450	0.11%

The total number of shares in the Company that will be held by Brandix pursuant to the issue of shares under the share swap will be 223,466,079 ordinary voting shares amounting 32.11% of the issued ordinary voting shares of TJJ.

The Board of Directors has, for purposes of section 58(2) of the Companies Act No. 7 of 2007, determined the total cash value of the 17,815,000 shares in Ocean Mauritius to be acquired by TJJ in consideration of which the said 35,197,368 ordinary voting shares will be issued by TJJ to the Selling Shareholders, to be Rs. 1,003,125,000 being the Sri Lankan Rupee equivalent of USD 7,500,000 calculated at the rate of Rs. 133.75 per each United States Dollar. Accordingly,

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the cash value of the consideration for which each of the 35,197,368 ordinary voting shares to be issued by TJJ is Rs. 28.50.

The stated capital of TJJ at present is Rs. 2,849,899,229.

The issue of the said 35,197,368 ordinary voting shares by way of a share swap is subject to the Colombo Stock Exchange approving in principle the issue and listing of shares such shares and obtaining shareholder approval at a general meeting.

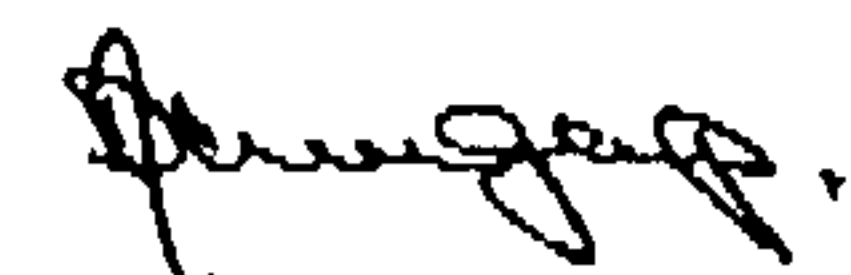
TJJ will apply for and seek all corporate and regulatory approvals that are required to carry out the acquisition of shares in Ocean Mauritius and the payment of consideration for such acquisition.

Preceding to the decision to acquire Ocean India through the acquisition of shares in its parent company Ocean Mauritius, the Board of TJJ decided to, as disclosed in announcement made on 26th May 2015, acquire Quenby Lanka Prints (Private) Limited ("Quenby Lanka"). These acquisitions are pursuant to TJJ's on-going regional expansion and capacity enhancement strategy. The acquisition of Quenby Lanka and Ocean India should potentially launch TJJ to the next level of solution provision and innovation while also catering to growing customer demand, thereby adding significant long-term value to its shareholders and reinforcing its footprint as one of the leading textile players in the South Asian region. In addition to the capacity enhancement and optimization for TJJ, these acquisitions also offer prospect of margin improvements through business and production synergies.

The issuance of shares by TJJ as part of the consideration to the shareholders of Ocean Mauritius for the above mentioned transaction will result in Brandix, increasing the shareholding of TJJ, to beyond 30%, from the current shareholding of 29.81%. TJJ has been informed by Pacific Textured Jersey Holdings Limited ("Pacific") and Brandix Lanka Limited, the two major shareholders of TJJ, that Pacific and Brandix Lanka Limited are, pursuant to an agreement reached between them, acting in concert within the meaning of the Company Takeovers and Mergers Code 1995 and that Pacific and Brandix Lanka Limited have agreed to, maintain a collective shareholding in TJJ of not less than 51% of the issued shares thereof, for a period of 5 years commencing 1st April 2015.

The Board of Directors also wishes to announce that TJJ has been further informed by Pacific, who presently holds 39.65% of the issued shares of TJJ, that Pacific proposes to sell, a part of the shares held by it in TJJ, amounting to approximately 10% of the total issued shares of TJJ.

By order of the Board,



Director
Corporate Services (Private) Limited
Secretaries
Textured Jersey Lanka PLC