

## **ANILANA HOTELS AND PROPERTIES PLC**

### **Documents pertaining to the Extraordinary General Meeting of the Shareholders to be held on the 9<sup>th</sup> November 2020**

**Managers & Registrars to the Rights Issue**  
P W Corporate Secretarial (Pvt) Ltd  
3/17, Kynsey Road, Colombo 08  
Telephone Nos.4640360-3

**ANILANA HOTELS AND PROPERTIES PLC**  
 [Company Registration No. PV/PB 72355 PQ]  
 No. 44, Premasiri Khemadasa Mawatha,  
 Colombo 07

**CIRCULAR TO SHAREHOLDERS**

THIS DOCUMENT IS OF VALUE – *If you are in doubt as to the action you should take, you should consult your stockbroker or other professional adviser immediately.*

Dear Shareholder/s,

**ISSUE OF ORDINARY VOTING SHARES BY WAY OF RIGHTS**

**1.0 BRIEF WRITE-UP ON THE IMPACT CAUSED TO THE COMPANY AND ITS OPERATIONS BY THE COVID-19 PANDEMIC.**

The Company has been able to mitigate the impact caused by the Covid Pandemic on its business. The Financial year 2019 /2020 started with a crippling bomb attack targeting Christian Churches and prominent Hotels in Colombo, the heart of the Tourist Industry. The Hotel Industry almost collapsed. Foreign Guests left our shores in numbers, and those who had made advance bookings cancelled them. It was with the greatest difficulty the Government and the Industry picked up the pieces and commenced a rebuilding effort. It took a painstaking effort with an aggressive marketing and promotional effort launched globally to take the Industry off the ground. Within a few months the tourists started trickling in and it looked as if everything was settling down. The naming of the Country as the No.1 Tourist Destination in the world in 2019 was an added advantage. Towards the end of the year however, the Nature delivered yet another crippling Blow to the entire world paralyzing the Human life completely. The Economies of the entire world both big and small took a severe beating. The spread of the deadly Decease known as Corona or Covid 19 had to be curtailed by the restrictions placed on Human movements. The Airports were closed, the Border crossings between the Countries were restricted and a complete Lockdown in certain countries for months brought the Tourism in the entire world to a standstill. Fortunately for Sri Lanka this deadly Pandemic has been controlled to a great extent and the human movements have resumed.

However the Pandemic is still raging in other Countries where the Tourists to our country originate from. Italy, France, Germany, UK, India and the Middle Eastern Countries are still struggling to cope up with the rising numbers of Covid victims. It will not be before the end of the year, that we can expect any foreigner to step in to our shores. Until then the Industry has to rely on the Local travelers. Amidst all these setbacks our Company performed reasonably well, in the year 2019/2020. In spite of the twin blows it received, our company has been able to reduce the Losses compared to the previous year. The industry too has rallied together to overcome the challenges. Anilana although heavily affected has risen from the setback and consolidated its position. Taking advantage of the Moratoriums offered by the Banks and the assistance given by the Parent Company we have been able to overcome this most difficult situation. One of the key areas we have looked at is to target local travelers, who are taking the advantage of generous discounts offered and the promotional offers by the Hotels. We have hired experienced sales staff and are in an aggressive Marketing drive to lure the Local tourists. We are hopeful that normalcy would return to the Travel and Tourism Trade and can look forward to a rewarding results in the near future.

**2.0 ISSUE OF ORDINARY VOTING SHARES BY WAY OF RIGHTS**

Your Board resolved on 19<sup>th</sup> August 2020, to raise the Capital of the Company by the issue of new shares by way of rights, to the shareholders of the Company as morefully set out herein

subject to receiving the approval of the Colombo Stock Exchange (CSE) and the shareholders.

subject to the in principle approvals of the CSE and the approval of the shareholders at an Extraordinary General Meeting (EGM) of the Company, as required by Rule 5.2a of the Listing Rules of the CSE, your Board resolved, to provisionally allot 91,522,915 Ordinary Voting Shares (Shares), to all the Shareholders holding 1,189,797,899 Shares of the Company, by way of a Rights Issue, in the proportion of One (01) Shares for every Thirteen (13) Shares, held by the Shareholders in the Register of Shareholders, as at the 'Date of Entitlement' namely as at end of trading on 9<sup>th</sup> November 2020, being the date of the Extraordinary General Meeting of the Shareholders, (provided that no shareholder shall upon or in consequence of such provisional allotment be entitled to a fraction of a share) at a price of Rs.2/- per share. If the issue is fully subscribed the Company would raise a total sum of Rs. 183,045,830.

*Basis of allotment of new shares shall be:*

*Number of shares held by a shareholder as at end of trading on ..... 2020 (old shares) \* x 01 (new shares)*  
13

*\* The fractions that are ignored are the fractions arising post division by 13 of the number of existing shares held by a Shareholder*

Your Board after considering that the closing market price of a share on the 18<sup>th</sup> day of August, 2020 (being the date prior to the date of the Board Resolution by which to issue shares by way of a Rights was resolved), was Ninety Cents (Rs.0.90), although the Net Asset Value of a Share based on the group assets was Rs.4.09 and based on the Company assets was Rs. 2.41, as at 31<sup>st</sup> December, 2019 was of the opinion that Rs.2/- per share, as the appropriate price to raise further capital, from the existing shareholders, was a fair and reasonable consideration to the Company and to the existing shareholders, as per Section 53 of the Companies Act No.7 of 2007.

The parent company SOMAP International Pte Ltd who holds 838,466,952 Shares of the Company, constituting 70.4% of the Shares currently in issue have indicated to the Board, of their commitment to take up their Rights Entitlement in full and to subscribe further for any un-subscribed Shares in order to facilitate the Rights Issue to be fully subscribed. Accordingly the Stated Capital post the conclusion of the proposed Rights Issue shall be Rs. 5,079,875,769/-

- 2.1 The shareholders who are allotted provisionally Shares as aforesaid, shall be given a right to request for additional Shares, and the right to renounce their Entitlement to the Central Depository Systems (Pvt) Limited (CDS)
- 2.2 The Shares not subscribed for as at the last date of Acceptance specified in the Provisional Letter of Allotment will be deemed to have been declined and such declined Shares pooled together with rejected Letters of Acceptance and Registration due to them being invalid and any fractional Shares arising from the provisional allotment will be available for allotment at the same price to the shareholders applying for Additional Shares on a pro rata basis to their existing shareholding, and thereafter any shares left unsubscribed (after fully allotting to such Applicant of Additional Shares) shall be allotted to SOMAP International Pte Ltd, as per their commitment to take-up the unsubscribed shares. The Company will comply with the timelines set out in Rule 5.2 of the Listing Rules, when so allotting.
- 2.3 The new Shares so provisionally allotted shall, upon acceptance and due payment having been received by the Company, rank *pari passu* in all respects with the existing Ordinary

Voting Shares of the Company including the right to participate in any dividend declared, only after the final allotment which shall be after the last date of acceptance and payment.

### 3.0 PURPOSE OF INCREASING EQUITY CAPITAL / UTILIZATION OF PROCEEDS / BENEFITS TO THE SHAREHOLDERS.

3.1 The purpose of increasing the Stated Capital of the Company by way of a Rights Issue is to utilize the proceeds thereof to meet the following operational requirements of the Company and certain companies in the Group, namely, Eastern Development Enterprises (Private) Limited, Anilana Resorts (Private) Limited .

|   | Purpose of Utilization of Funds                                                                                          | Amount To Be Utilized (Rs.) | % of Utilization from the Total Amount Raised | Applicable Time Lines |
|---|--------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------|-----------------------|
| 1 | **Repayment of Loan Capital & Interest due from the Company to Sampath Bank, prior to the application for the moratorium | 135,918,571                 | 74.26                                         | Immediate             |
| 2 | * VAT (of the aforesaid Group companies)                                                                                 | 5,000,000                   | 2.73                                          | Immediate             |
| 3 | * Salaries (including EPF) and NBT.(of the aforesaid Group companies)                                                    | 42,127,259                  | 23.01                                         | Immediate             |
|   | <b>Total</b>                                                                                                             | <b>183,045,830</b>          | <b>100.00</b>                                 |                       |

\* Following are the outstanding VAT / NBT / Salaries and EPF Liabilities.

|                                              | Company | Group   |
|----------------------------------------------|---------|---------|
| VAT (Being Paid According to a Payment Plan) | 59.8 Mn | 101 Mn  |
| NBT                                          | 16.5 Mn | 23.5 Mn |
| Salaries                                     | 5.6 Mn  | 7.3 Mn  |
| EPF                                          | 14.0Mn  | 20.5 Mn |

The Board was of the view that the Company must settle the statutory liabilities of the Group since non-settlement has an impact on the Company.

#### \*\* Details of Loans outstanding to Sampath Bank as at 01<sup>st</sup> April, 2020.

Following are the Loans that are outstanding to Sampath Bank, of the total Loan portfolio with the said Bank as at 01<sup>st</sup> April 2020, which were taken for the construction of the Hotels. Sampath Bank is not a related party to the Company. The reason for prioritizing the settlement of Rs.135,918,571, is due to the Bank initiating parate execution. The auction for the sale of the security was suspended on the basis of the Company agreeing to part settle the Loan. The sum of Rs.135,918,571/- is the total sum of interest due on the Loans prior to the moratorium on the repayment of the Loans given to the Company by Sampath Bank. The repayment of balance capital and interest will thereafter become due from 01<sup>st</sup> April 2021. The Company as at now has not identified a plan to settle the remaining balance.

#### (i) Rescheduled Loan (No. 3930 7000 0501)

|                                      |     |               |
|--------------------------------------|-----|---------------|
| Outstanding balance as at 31.03.2020 | LKR | 38,775,500.00 |
|--------------------------------------|-----|---------------|

#### (ii) Reschedule Loan (No. 3930 7000 0502)

|                                      |     |                |
|--------------------------------------|-----|----------------|
| Outstanding balance as at 31.03.2020 | LKR | 658,100,000.00 |
|--------------------------------------|-----|----------------|

#### (iii) Reschedule Loan (No. 3930 7000 0503)

|      |                                             |     |                |
|------|---------------------------------------------|-----|----------------|
|      | Outstanding balance as at 31.03.2020        | LKR | 360,831,280.00 |
| (iv) | <u>Reschedule Loan (No. 3930 6500 1032)</u> |     |                |
|      | Outstanding balance as at 31.03.2020        | LKR | 102,000,000.00 |
| (v)  | <u>Reschedule Loan (No. 3930 6000 3621)</u> |     |                |
|      | Outstanding balance as at 31.03.2020        | LKR | 20,000,000.00  |

Since as set out in Clause 9 hereof, SOMAP International Pte Ltd, the parent company, have expressed their commitment to take up fully the rights entitlement and to additionally subscribe for further shares to facilitate the Company to receive full subscription, there is no priority amongst the objectives in the utilisation of the proceeds, since all the objectives would be met.

During the interim period the funds will be either invested in a call deposit with a Commercial Bank Licensed by the CBSL or in Government Treasury Bills. It is expected that Government Treasury Bills would give a return of – Three (03) months Buying Rate of 4.75% and Selling Rate of 4.25%, Six (06) months Buying Rate of 4.85% and Selling Rate of 4.35% , Twelve (12) months Buying Rate of 5.00% and Selling Rate of 4.50% and the call deposit would give a return of approximately 7-8% per annum.

No part of the funds raised are expected to be lent to related parties, provided however, if in the event that any part of the funds are lent to Related Parties, such lending would be at arm's length and the Company will ensure it follows the requirements as set out in the Listing Rules of the CSE. Additionally, adequate and prior disclosure to the market will be made.

Following are the Members of the Related Party Transaction Review Committee,:-

|                   |                                                |
|-------------------|------------------------------------------------|
| Mr. Arjun Dosaj   | - Committee Chairman, Independent Director     |
| Mr. Rakesh Sharma | - Committee Member, Independent Director       |
| Mr. Pramod Pandey | - Committee Member, Non – independent Director |

The Board is confident that the funds raised will be utilized within the period referred to above, in the areas outlined above for utilization. Therefore there is no risk in the Company not being able to utilize the said funds within the expected time frame.

The Company undertakes in all future Interim and/or Annual Financial Statements, to continue to disclose the progress of the utilization of proceeds from the date of raising funds, until the Rights Issue funds are fully utilized to achieve the objectives stated in the Circular, in the format referred to below:

Rights Issue proceeds utilization as at [Date] [Month] [Year]

| Objective | Objective as per Circular | Amount allocated as per Circular in Rs. | Proposed Date of Utilization as per Circular | Amount allocated from proceeds in Rs. [A] | % of Total Proceeds | Amount Utilized in Rs. [B] | % of Utilize against allocation [B/A] | Clarification if not fully Utilized including where the funds are invested (eg. whether lent to related party/s etc) |
|-----------|---------------------------|-----------------------------------------|----------------------------------------------|-------------------------------------------|---------------------|----------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| 1         |                           |                                         |                                              |                                           |                     |                            |                                       |                                                                                                                      |

#### Important Note:

In the event the proceeds of the Rights Issue are utilized in terms of the Objectives disclosed in the Circular to Shareholders, prior to the submission of the Company's next financial statements [i.e. Interim Financial Statements or Annual Report] the Company would disclose via an immediate Market Announcement the fact that the proceeds have been utilized in its entirety as per the above reporting format.

If there are any changes in circumstances which may occur and the proceeds are not utilized as proposed, the Company will utilize the funds appropriately subject to obtaining approval from shareholders.

If the Company does not utilize the funds for the stated Objective herein, a market announcement to this effect will be made prior to seeking approval from the Shareholders. Infusing fresh capital raised through the Rights Issue for the purposes set out above would benefit the Shareholders, due to the Company's ability to raise the much needed funding to meet the operational requirements continuously.

#### 4.0 CAPITAL STRUCTURE

| Current Stated Capital                                      | Stated Capital upon completion of the Rights Issue<br>[on the basis of full subscription] |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Rs.4,896,829,930/- (represented by<br>1,189,797,899 shares) | Rs. 5,079,875,760/-<br>(represented by 1,281,320,814 shares)                              |

There is no specific requirement to obtain the approval of any regulators other than the CSE for this Rights Issue.

#### 5.0 LOSSES INCURRED IN THE FINANCIAL YEARS ENDED 31<sup>ST</sup> MARCH 2018 & 31<sup>ST</sup> MARCH 2019

The Company incurred losses in the Financial Years ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019.

The reasons for incurring such losses by the Company and the Group on two consecutive Financial Years as aforesaid are due to the finance costs and high depreciation charges which the Company had to meet. In the year 2018 the Company also made provisions for impairment of some of the Company's investments which increased the losses.

By the infusion of fresh capital by way of Private Placement and the Rights Issues, the Company has been able to reduce the finance costs considerably. Further through the several cost cutting measures implemented by the Company, it was able to reduce the administrative costs. The Company has also engaged experienced sales personnel and an aggressive marketing drive is currently in force. The management is confident that the measures taken will increase the revenues, once the conditions improve in the tourism sector.

The Company and the Group have been able to reduce the losses incurred, considerably in the year 2019/20. This is reflected in the Interim Financial Statement for the period ended 31<sup>st</sup> March, 2020 (un-audited) which have been already published.

#### 6.0 MARKET PRICE OF SHARES

The Closing Market price of the Company's Share as at 18<sup>th</sup> August, 2020, (being the day before the Board Resolution to proceed with the Rights Issue) was Cents Ninety (/90).

The high, low and closing prices of the Shares of the Company during the preceding three months are as follows:

| Month           | High<br>(Rs.) | Low<br>(Rs.) | Closing<br>(Rs.) | Volume of<br>Ordinary<br>Voting<br>Shares traded | No. of<br>trades |
|-----------------|---------------|--------------|------------------|--------------------------------------------------|------------------|
| July, 2020      | 1.00          | 7.00         | 1.00             | 9,220,522                                        | 384              |
| August, 2020    | 1.20          | 0.80         | 1.10             | 18,723,392                                       | 698              |
| September, 2020 | 1.40          | 1.30         | 1.30             | 620,299                                          | 6                |

The Closing Market price as at 13<sup>th</sup> October 2020, was Rs. 1.40 being the date of printing the Circular.

As per the un-audited Interim Financial Statements of the Company for the 12 months ended 31<sup>st</sup> March 2020, the Net Asset Value of a Share based on the group assets value was Rs.3.27 and based on the Company assets value was Rs.1.93

#### **7.0 DIVIDEND HISTORY FOR THE PREVIOUS THREE (03) YEARS**

No dividends have been declared/paid for the past three (03) financial years, namely 2017/2018, 2018/2019, and 2019/2020.

#### **8.0 CONTINGENT LIABILITIES**

There has not been any material change in the nature of contingent liabilities, other than as disclosed in the un-audited Interim Financial Statements of the Company for the 12 months ended 31<sup>st</sup> March 2020

#### **9.0 UNDERWRITING ARRANGEMENTS**

The controlling shareholder of the Company, SOMAP International Pte Ltd holding 70.47% shares of the Company, and represented on the Board of Directors have expressed their commitment to participate in the rights issue by taking up their full rights entitlement including any unsubscribed shares in order to facilitate the Rights Issues to be fully subscribed.

#### **10.0 APPLICATION FOR RIGHTS AND PROVISIONAL ALLOTMENT**

Shares of the Rights will be provisionally allotted subject to receiving the approval of the shareholders for the resolution pertaining to the Rights Issue, as set out in the Notice of EGM, as at end of Trading on 9<sup>th</sup> November 2020.

The Provisional Letters of Allotment will be dispatched on 16<sup>th</sup> November 2020.

Trading of the "Rights" shall commence on the Fourth (4<sup>th</sup>) Market Day from and excluding the date of dispatch of Letters of Provisional Allotment. Such trading shall continue throughout the period of renunciation to the CDS (From 20<sup>th</sup> November 2020, to 27<sup>th</sup> November 2020).

The last date for acceptance and payment shall be 30<sup>th</sup> November 2020.

Application for additional Shares will be permitted. However, such additional Shares will be available for allotment only in the event any of the existing shareholders do not take up their

rights entitlement in part or in full or if the Letter of Acceptance and Registration is rejected by the Company as being invalid. The Shares not subscribed for as at the last day of acceptance specified in the Provisional Letter of Allotment will be deemed to have been declined and such declined shares pooled together with any fractional Shares arising resulting from the provisional allotment, will be allotted at the same price to the shareholders applying for additional Shares, on a pro rata basis to their existing shareholding, and thereafter any shares left unsubscribed shall be allotted to any person at the discretion of the Board. In making such further allotments of unsubscribed shares, the Company will comply with the timelines set out in Rule 5.2 of the Listing Rules.

The Shares arising from the Rights Issue would be directly deposited to the respective shareholder's CDS Accounts within twelve (12) market days from the last day of acceptance and payment. Shareholders/Applicants who do not have a CDS Account are advised to open a CDS Account, prior to submitting the completed Form 'A' in order to facilitate the uploading of the Shares allotted to them.

## 11.0 ADDITIONAL INFORMATION

### 11.1 The Top 20 Shareholders as at 30<sup>th</sup> June, 2020

#### Twenty Largest Shareholders as at 30<sup>th</sup> June 2020

|       | Name                                                  | Shares               | (%)            |
|-------|-------------------------------------------------------|----------------------|----------------|
| 1     | SOMAP INTERNATIONAL PTE LTD                           | 838,466,952          | 70.47          |
| 2     | SSBT-GMO EMERGING MARKETS FUND                        | 103,983,101          | 8.74           |
| 3     | PEOPLE'S LEASING & FINANCE PLC/MR. A C SENEVIRATNE    | 36,081,857           | 3.48           |
|       | MR. A C SENEVIRATHNE                                  | 5,370,166            |                |
| 4     | MRS. M C AMERASINGHE                                  | 20,000,001           | 1.68           |
| 5     | ASIA FORT ASSET MANAGEMENT (PVT) LTD                  | 17,971,085           | 1.51           |
|       | NATION LANKA FINANCE PLC                              | 13,907,348           | 1.17           |
| 7     | MR. O E H KALVO                                       | 9,857,109            | 0.83           |
| 8     | SEYLAN BANK PLC/JANASHAKTHI PLC                       | 9,278,007            | 0.78           |
| 9     | NATION LANKA CAPITAL LTD/JEROME RADLEY JUDE EPHRAUMS  | 8,369,784            | 0.70           |
| 10    | SANDWAVE LIMITED                                      | 7,894,196            | 0.66           |
| 11    | JANASHAKTHI PLC ACCOUNT NO.1                          | 6,000,000            | 0.50           |
| 12    | MR. M N RANASINGHE                                    | 6,000,000            | 0.50           |
| 13    | M A SALGADO                                           | 4,500,000            | 0.38           |
| 14    | SSBT-MDPIM EMERGING MARKETS EQUITY POOL               | 4,200,000            | 0.35           |
| 15    | CEYQUARTZ MBI (PVT) LTD                               | 3,333,400            | 0.28           |
| 16    | MR. M. T. RAJABKHAN                                   | 3,221,500            | 0.27           |
| 17    | MRS.S M SENEVIRATNE                                   | 2,900,000            | 0.24           |
| 18    | NATION LANKA CAPITAL LTD/DEE SANDA HOLDINGS (PVT) LTD | 2,575,278            | 0.22           |
| 19    | MR. A.N.WILLAM                                        | 2,561,667            | 0.22           |
| 20    | MR. R E RAMBUKWELLA                                   | 2,352,000            | 0.20           |
| Other |                                                       | 1,108,823,451        | 93.19          |
| Total |                                                       | 80,974,448           | 6.81           |
|       |                                                       | <b>1,189,797,899</b> | <b>100.000</b> |

11.1.1 The Public Float as at 30<sup>th</sup> June 2020 was 268,521,172 shares representing 22.57%.

11.2 Shareholders attention is drawn to the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2019 which is hosted on [https://cdn.cse.lk/cmt/upload\\_report\\_file/1283\\_1568197460098.pdf](https://cdn.cse.lk/cmt/upload_report_file/1283_1568197460098.pdf) and the un-audited Interim

Financial Statements of the Company for the 12 months ended 31<sup>st</sup> March 2020, which is hosted on [https://cdn.cse.lk/cmt/upload\\_report\\_file/1283\\_1599733542603.pdf](https://cdn.cse.lk/cmt/upload_report_file/1283_1599733542603.pdf)

## 12.0 GENERAL INSTRUCTIONS FOR THE RIGHTS ISSUE

- 12.1 As per the Directive of the Securities & Exchange Commission ('SEC') made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the CDS dated November 30, 2010 all Shares arising from the Rights Issue shall be directly uploaded to the CDS Accounts.

Pursuant to a Direction issued by SEC pertaining to the de-materialization of listed securities, the Shareholders who hold shares in Scrip form (i.e. Share Certificates) as per the Register maintained by the Secretaries to the Company **will not be issued Share Certificates in their favour.**

The Shares of Shareholders, who do not indicate a correct/accurate CDS Account Number in the documents provided, will not be uploaded on the date specified for upload by the Rules of the CSE. They will be registered in the share ledger maintained by the Company and **will not be issued Share Certificates.** Such Shareholder would not be able to trade in the Shares arising from the Rights Issue until, such time the same has been deposited with the CDS. **Therefore please ensure strict adherence to the Directive issued by the SEC.**

- 12.2 In the allotment of Shares, the Ordinary Voting shareholding of each shareholder, as appearing in the CDS and the Shareholders Register maintained by the Company will be aggregated, in so far as the National Identity Card Number of such shareholders are available with the Company for the identification purposes.

If there is a discrepancy between the CDS information given in the attached Form / Form 'A', Letter of Acceptance and Registration **and** the CDS Account Number maintained at the CDS, the number maintained at the CDS will be taken as correct.

## 12.3 Lodgment of Shares arising from Rights Issue-

If you do have a CDS Account and your existing Ordinary Voting Shares are not lodged in the said CDS Account/ or you propose to open a CDS Account prior to 9<sup>th</sup> November 2020, you are advised to lodge your Shares prior to such date.

Please note, when uploading new shares arising from the proposed Rights Issue to your CDS Account, such Shares would be lodged based on the Account details given by you to the Company in the Letter of Acceptance and Registration that would be dispatched to you, together with the Provisional Letter of Allotment. The said Form makes provision for you to indicate as to whether the Shares are to be lodged in the Trading balance/Locked balance (as applicable). If there is no indication the shares will be lodged into the trading balance.

As stated above shareholders whose existing Ordinary Voting Shares are not lodged in the CDS, Certificates in respect of the Rights will not be issued. They are required to open a CDS Account and inform the Secretaries of their CDS Account details in order to upload their Shares arising from the Rights Issue. Direct uploads pertaining to written request received from shareholders, to deposit such Shares after the time for uploading of the shares in terms of the Rules will be done on a weekly basis.

- 12.4 **Non Resident Shareholders** – Non Resident Shareholders are required to make payments for rights through their Securities Investment Account (SIA), [or Inward Investment Account (IIA) as the case may be] If the payment is not made out of a SIA ( or IIA), but out of an inward remittance or remittable funds, the approval of the Director, Department of Foreign Exchange, Central Bank of Sri Lanka, to make such payments must accompany the Letter of Acceptance and Registration and the Application for Additional Shares (as applicable),

more details will be set out in the Provisional Letter of Allotment which would be dispatched to the Shareholders, once the Rights Issue is approved by the Shareholders at the meeting of the shareholders to be convened by the Company.

- 12.5 **Additional Details and Assistance** – Shareholders who may require additional details or assistance in relation to any of the above mentioned matters may contact, Ms. Shashikala De Mel of P W Corporate Secretarial (Pvt) Ltd, on Telephone No.4640360-3
- 12.6 Relevant documentation with respect to the listing of 91,522,915 new shares by way of a Rights Issue, has been submitted to the CSE. Such new Shares will be provisionally allotted to the existing shareholders based on their shareholdings as at the relevant dates of Entitlement, as referred to herein. Approval, in principle, has been obtained from the CSE to the Application made by the Company.
- 12.7 **The listing of the Shares by the CSE will in no way be reflective of the merits of the issue. The CSE assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports included.**
- 12.8 The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and confirm having made all reasonable enquiries, that to the best of their knowledge and belief, that there are no other facts the omission of which would render any statement in the Circular misleading.
- 13.0 EXTRAORDINARY GENERAL MEETING**
- 13.1 The issue of Shares by way of Rights, requires the approval of the shareholders by way of an Ordinary resolution, at a General Meeting as set out in attached Notice of Meeting, as required by the CSE Listing Rule 5.2a (for the Rights Issues of shares)
- 13.2 Attached hereto is a Notice of an Extraordinary General Meeting convened to be held on 9<sup>th</sup> November 2020
- 13.3 Shareholders who are unable to attend the Meeting in person are kindly requested to complete the enclosed Form of Proxy, in accordance with the instructions specified therein, and deposit the same at the Registered Office of the Company at No. 44, Premasiri Khemadasa Mawatha, Colombo 07, not less than Forty Eight (48) hours, before the time appointed for the commencement of the Meeting.

**By Order of the Board**  
**Anilana Hotels and Properties PLC**  
**P W Corporate Secretarial (Pvt) Ltd**



**Managers & Registrars to the Rights Issue**

On this 13<sup>th</sup> day of October 2020

**ANILANA HOTELS & PROPERTIES PLC**  
[Company Registration PV/PB 72355 PQ]  
No.44, Premasiri Khemadasa Mawatha,  
Colombo 07

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Company, will be held on 9<sup>th</sup> November 2020 at the "Auditorium", 3<sup>rd</sup> Floor of the Automobile Association of Ceylon, No. 40, Sir Mohamed Macan Markar Mawatha, Colombo 03, Sri Lanka, at 11.00 a.m. for the following purposes :

To consider and if thought fit, to pass the following Resolution with or without modification as an **ORDINARY RESOLUTION**:

**"IT IS HEREBY RESOLVED** to provisionally allot 91,522,915 Ordinary Voting Shares, to the Shareholders holding the existing Ordinary Voting shares of the Company, in the Register of Shareholders, as at end of trading on 9<sup>th</sup> November 2020, being the date of the Extraordinary General Meeting ("Date of Entitlement"), by way of a Rights Issue, on the basis that every Shareholder holding Thirteen (13) Ordinary Voting Shares, be provisionally allotted One (01) new Ordinary Voting Share, fractions arising post division by Thirteen (13) of the number of existing shares held by a Shareholder being ignored, [as morefully set out in Page 3, Paragraph 4 of Clause 2, in the Circular to Shareholders dated 13<sup>th</sup> October 2020, attached to this Notice of Extraordinary General Meeting] at a consideration of Rupees Two (Rs.2/-) per share, which consideration is in the opinion of the Board fair and reasonable to the Company and to all existing shareholders of the Company, so that, if the Rights issue is fully subscribed, the Stated Capital of the Company would increase from Rs.4,896,829,930/- represented by 1,189,797,899 Ordinary Voting Shares to Rs.5,079,875,760/- represented by 1,281,320,814 Ordinary Voting Shares.

that the said Ordinary Voting Shares be issued with a right to request for additional Shares, and the right to renounce the Rights Entitlement only to the Central Depository Systems (Pvt) Ltd;

that the Ordinary Voting Shares not duly subscribed for partly or fully as at the last date of Acceptance specified in the Provisional Letter of Allotment and / or where the Letter of Acceptance and Registration is rejected by the Company, as invalid be deemed to have been declined and such declined Ordinary voting Shares be pooled together with any fractional Ordinary voting Shares arising post division by 13 of the number of existing shares held by a Shareholder as referred to herein, be available for allotment at the same price to the existing shareholders applying for additional Shares, on a pro-rata basis to their existing holdings, and any further unsubscribed shares remaining thereafter [after fully allotting for such Applicants of Additional Shares] to be allotted to SOMAP International Pte Ltd, the Majority Shareholder of the Company who has undertaken to subscribe for such unsubscribed shares.

that the new Ordinary Shares so allotted shall, upon acceptance and due payment having been received by the Company rank *Pari Passu* in all respects with the existing Ordinary Shares of the Company including the right to participate in any dividend declared, only after the final allotment which shall be after the last date of acceptance and payment."

**By Order of the Board**  
**Anilana Hotels and Properties PLC**  
**P W Corporate Secretarial (Pvt) Ltd**

  
**Managers & Registrars to the Rights Issue**

On this 13<sup>th</sup> day of October 2020.

**NOTE:**

- 1) A shareholder entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of him/her. A Proxy need not be a shareholder of the Company.
- 2) The completed Form of Proxy should be received by the Company's Registered Office at No. 44, Premasiri Khemadasa Mawatha, Colombo 7, Sri Lanka, not less than forty eight (48) hours before the time appointed for the holding of the meeting.
- 3) A Form of Proxy accompanies this Notice.

