

Aitken Spence Corporate Services (Private) Limited

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Reg. No. PV 6492

19th January 2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
#04-01 West Block
World Trade Centre
Colombo 01

Dear Madam,

BROWNS BEACH HOTELS PLC

Proposal to Delist the shares of Browns Beach Hotels PLC (the “Company”) from the Official List of the Colombo Stock Exchange

We write to inform you that the Board of Directors of the Company (the “**Board**”) resolved on 19th January 2026 to delist the shares of the Company from the official list of the Colombo Stock Exchange (“**CSE**”) subject to obtaining the requisite shareholder and regulatory approvals therefor (“**Proposed Delisting**”).

Reasons for the Proposed Delisting

The Board made the decision on the Proposed Delisting having taken into consideration the present financial position of the Company and the assessment made by the management with regard to prospects for future profitability of the Company in view of the forecasts relating to the Tourism industry and the current debt position of the Company and its subsidiary (the “**Business**”). The Business have been experiencing sustained losses over a period of time due to challenges faced by the tourism industry since 2019 (Easter Sunday attacks, Covid 19 pandemic and the economic crisis) and the revenue earned by the Business in the last two years have not been adequate to offset such losses.

The shares of the Company were transferred to the Watch List on 01st August 2024 pursuant to the requirements of Rule 7.5 (d) (ii) (A) 5 (a) of the Listing Rules of the CSE (the “**Listing Rules**”) due to an Emphasis of Matter on “Going Concern” in the Auditors’ Report for the financial year ended 31st March 2024. If unresolved within the prescribed 15-month period, the Company faces a suspension of trading, followed by mandatory delisting should the trading suspension extend beyond 12 months.

The management of the Company, having critically evaluated current trends and market factors with regard to the Tourism industry, is of the opinion that the projected revenue from the Business for the next few years will be inadequate to resolve the Emphasis of Matter on “Going Concern” within the prescribed time period. There is an absence of indications pointing towards any improvement in the Company’s net asset position, which is currently negative and in light of the

same, the Company is also not expected to be able to declare dividends to its shareholders for a long period of time.

Further, the Company is not in compliance with the minimum public holding requirements stipulated in Rule 7.13 of the Listing Rules and the securities of the Company are therefore on the Second Board. Although the management of the Company has evaluated various options to rectify the non-compliance, it is the view of the management as well as the Board that the implementation of any of such rectification actions is not viable in the current economic climate.

In the above circumstances, it is the view of the management and the Board that the Company should seek a delisting of its shares from the Official List of the CSE and that the minority shareholders of the Company should be given the opportunity to exit from their investment in the Company, if they wish to do, as the Company will, pursuant to the Proposed Delisting, be no longer be listed on the CSE.

Exit Offer Price

Accordingly, the Board has made arrangements with Melstacorp PLC and Aitken Spence Hotel Holdings PLC, the majority shareholders of the Company, for the purchase of shares from the minority shareholders of the Company who may wish to divest their shares, at an exit offer price of Sri Lankan Rupees Thirty (30) ("**Exit Offer Price**") which the Board considers as a fair and reasonable price for the shares of the Company.

In accordance with Rule 14.1.1(ii) of the Delisting Rules, the Exit Offer Price constitutes a premium to the value of the shares of the Company computed based on the valuation methodologies set out in Rule 14.1.1(ii) of the Listing Rules. The following table sets out the share values computed based on the valuation methodologies set out in the Delisting Rules:

Methodology	Value per share (LKR)
Intrinsic valuation computed based on Discounted Cash Flow	(19.31)
Relative valuation computed based on Enterprise Value (EV) to Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) Ratio	20.89
Volume Weighted Average Price (VWAP) of the shares over the immediately preceding one year	18.58

The Exit Offer Price has been determined in accordance with Section 14.1.1(ii) of the Delisting Rules, pursuant to an independent valuation obtained by the Company from BDO Partners, a firm of chartered accountants. The relevant experience of BDO Partners and the qualifications and experience of the relevant individuals who were involved in the valuation are set forth in the Annexure hereto.

The delisting of shares of the Company is subject to the obtaining shareholder approval at a General Meeting in the manner set out in the Listing Rules and the subsequent approval of the Securities and Exchange Commission of Sri Lanka.

By order of the Board of **BROWNS BEACH HOTELS PLC**

AITKEN SPENCE CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries to **BROWNS BEACH HOTELS PLC**



Benjamin Poopalapillai
Vice President – Company Secretarial Division

1. Name of the firm of Auditors:

BDO Partners

2. Relevant Experience:

BDO Partners is an independent professional service network with global capabilities and distinctive local strengths and understanding. Operating since 1958, BDO Partners provides Accounting, Tax and Advisory services to clients with a highly qualified staff of more than 300 led by 8 Partners. BDO Partners possess the resources with the necessary skills and competencies to perform an independent evaluation of a company and make an appropriate fair value recommendation to the Board of Directors.

3. Qualifications and Relevant Experience of the Personnel Involved in the Valuation:

Name	Designation	Background & Experience	Qualifications
Sujeewa Rajapakse	Managing Partner	He is a Past President of the Institute of Chartered Accountants of Sri Lanka and the International Liaison Partner of BDO Partners. He has held key regulatory positions, including roles with the Central Bank, SEC, and the Sri Lanka Accounting and Auditing Standards Monitoring Board. He has also gained significant international exposure through IFAC, CAPA, and SAFA in various leadership and advisory capacities.	• FCA • FCMA • MBA (Sri J) • ACCA
Nishan Fernando	Managing Director	He is a highly experienced accounting professional who has held several international and national leadership positions, including Vice Chair of the Asia-Oceanian Standards Setters Group, Past President of the Institute of Chartered Accountants of Sri Lanka, and former Commission Member of the Securities & Exchange Commission of Sri Lanka.	• FCA • FCMA • MBA (Sri J)
Tharushika Muthumalki	Manager	She has a diverse professional background spanning finance, investments, manufacturing, and leisure, with extensive experience in business valuations, restructures, and feasibility studies. At BDO, she has managed a broad client portfolio and served as engagement manager for numerous assignments across multiple sectors.	• ACA • FAAT • BBA (Colombo) • MSc (Colombo)
Abdullah Firaz	Assistant Manager	He is an ACCA Affiliate with a BSc (Hons) in Applied Accounting from Oxford Brookes University and certification in FinTech, bringing a strong blend of technical and analytical expertise to corporate finance engagements. He has delivered advisory services across diverse industries, specialising in business restructures, IFRS advisory, and feasibility studies.	• ACCA • BSc (UK) • Adv. Dip. (ACCA) • Cert. in FinTech (ACCA)
Hasini Hewabattage	Executive	She has experience across banking, retail, and manufacturing sectors, contributing to business valuations, financial modelling, IFRS advisory, and transaction structuring for both listed and private entities. She holds a BSc in Applied Accounting from the School of Accounting and Business of CASL and is currently a Strategic Level finalist of the CASL programme.	• BSc (Hons) CASL • CA Strategic Level (Reading)