



7th November 2019

Mr. Renuka Wijayawardhane
Chief Regulatory Officer
The Colombo Stock Exchange
4th Floor, World Trade Centre
Echelon Square
Colombo-01,

Dear Sir,

DISCLOSURE – PALM GARDEN HOTELS PLC

Palm Garden Hotels PLC (“the Company”) presently holds 30,000 shares, representing 12.72% shareholding in Bodufaru Beach Resorts Pvt Ltd (“Bodufaru”).

Bodufaru is a company incorporated in Maldives, with the objective of developing and operating tourist resorts. Bodufaru has acquired leasehold rights over a plot of lagoons in Maldives in which it proposes to construct a resort, which will consist of three hotels consisting approximately 470 rooms in total.

Barcelo Group, a reputed international hotel operator carrying on the business of operating hotels in twenty-two (22) countries with more than 251 hotels, has expressed its interest in contributing to the equity capital of Bodufaru.

Accordingly, Barcelo Hotels Mediterráneo, S.L. (a subsidiary entity of Barcelo Group) proposes to invest United States Dollars Thirty Million (USD 30,000,000) in Bodufaru, in consideration of which, Bodufaru will issue new shares to Barcelo amounting to 33.33% of its shareholding.

The terms and conditions of the said investment by Barcelo in Bodufaru are set out in a Share Subscription and Shareholders’ Agreement dated 7th November 2019, to which the Company is a party.

Yours faithfully,

For and on behalf of **Palm Garden Hotels PLC**

LOLC Corporate Services (Pvt) Ltd
SECRETARIES