

Businessmate (Pvt) Ltd

Co. Reg. No. PV 8017

45, (2nd Floor) Braybrooke Street,

Colombo 2, Sri Lanka

Tel. 011-2433933, Fax: 011-2445683

E-mail: secy@eco.lk

23rd August 2023

Mr. Renuke Wijayawardhane,
Chief Regulatory Officer,
Colombo Stock Exchange,
Level 04, West Tower,
World Trade Centre, Echelon Square,
Colombo 01.

OUR REF: MRH/CSE/ANN/2023/PM/05

Dear Sir,

ANNOUNCEMENT MAHAWELI REACH HOTELS PLC (MRH) CORPORATE DISCLOSURE

As per rule 9.3.1 of the Listing Rules of The Colombo Stock Exchange, Mahaweli Reach Hotels PLC wishes to inform that the Board of Directors of the company has decided to obtain financial assistance from Universal Enterprises Private Limited of the Maldives, which is the largest shareholder of the company holding 69.44% of the shares.

The details as required by Rule 9.3.1 of the Listing Rules are provided hereunder:

(i) Date of the transaction or the period where applicable:

Board approval was granted on 23rd August 2023 for the transaction which is to take place.

(ii) Name of the relevant Related Party: Universal Enterprises Private Limited

(iii) Relationship between the Entity and the Related Party : The Lender is the Entity's largest shareholder holding 69.44% of the shares.

(iv) Details of the transaction including the amount, relevant terms of the transaction and the basis on which the terms were arrived at:

The company will be obtaining a loan in the amount of USD One Million to be utilized for the purposes of the settlement of outstanding liabilities. The transaction will attract an interest rate on 6.5% + 1 month SOFR with a grace period of 18 months and a tenure of 60 months.

(v) Rationale for entering into the transaction: This decision has been based on the need of the company to obtain additional funding to assure business continuity and value preservation and in order to facilitate the company in restructuring its the financial obligations and to assist in the strategic objectives of the company.

- (vi) The Related Party Transactions Review Committee of the Entity is of the view that the transaction is on normal commercial terms, and is not prejudicial to the interests of the Entity and its minority shareholders and the Related Party Transaction Review Committee is not obtaining an opinion from an independent expert prior to forming its view on the transaction.
- (vii) The aggregate value of the Related Party Transactions for the financial year with the particular Related Party whose transaction is the subject of the announcement and the aggregate value of all Related Party Transactions for the same financial year: Currently the aggregate value and total value of transactions with this party will be USD One Million.

Based on the Exchange Rate for the United States Dollar published by the Central Bank of Sri Lanka on 22nd August 2023, this transaction does not amount to 1/3 of the Total Assets of the company.

Yours faithfully,

Businessmate (Private) Limited

Secretaries - Mahaweli Reach Hotels PLC

BUSINESSMATE (PRIVATE) LIMITED
SECRETARIES PV 8017

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DIRECTOR.

CC: Mr. J. A. Panabokke
Managing Director
Mahaweli Reach Hotels PLC