

30th November, 2021,

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Centre
Echelon Square
Colombo 01

Dear Sir,

Anilana Hotels and Properties PLC (“Company”) – Emphasis of Matter on Going Concern

A) We communicate to you in terms of the procedure set out by the Colombo Stock Exchange, with reference to Rule 7.5 (d) (II) 5.;

- 1) As per Rule 7.5 (d) (II) A.5a), the shares of the Company were transferred by the CSE to the Watch List, with effect from 3rd February 2021 for the reason that the Audited Report for the Financial Year ended 31st March 2020 contains an Emphasis of Matter on Going Concern.
- 2) As per Rule 7.5 (d) The Shares of Company was further added by the CSE to the Watch List with effect from 15th of October 2021 for the non-submission of Annual Report 2020/21 and with effect from 22nd November for non-submission of interim Financial Statements for the quarter ended 30th September 2021.
- 3) As per Rule 7.5 (d) (II) A.5b) the remedial action taken/proposed to be taken by the Company to resolve the matters giving rise to the Emphasis of Matter on Going Concern are as follows:

A Rights Issue for 183 Mn was completed during the financial year ended 31st March 2021. With the infusion of this capital, the company’s Financial position has improved considerably. We have utilized part of these Funds to reduce our Debts and saved a considerable amount of Interest charges. After the temporary closure of our Hotels due to the Pandemic we have commenced the operations of one Hotel and hope to re start the operations of the other by mid December 2021. We hope to improve company’s performance with the expected boom in tourism in the near future.

The Auditors specifically say that their opinion is **not modified with regard to the Going Concern as the Management has taken steps to “mitigate the issues that cast doubts on the Group’s ability to continue as a Going Concern”**. Further measures are underway to completely eliminate these issues and improve its financials considerably in the near future.

The submission of Annual report for the year ended 31st March 2021 was delayed due to the closure of Office for two weeks due to the curfew and lockdowns. The Annual report and the Interim Financial statements will be submitted in due course.

Anilana Hotels & Properties PLC

(Reg No: PV /PB 72355 PQ)

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- 4) As per Rule 7.5 (d) (II) 4. c) the time period within which the aforesaid remedial action would be taken by the Entity would be fifteen months from the date of Transfer..

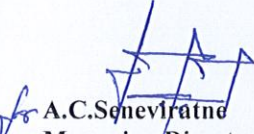
The following additional statements are made as required by Rule 7.5 d. (II) 4.d)

In the event of any deviation from the proposed remedial action to resolve the matters which gave rise to the Emphasis of Matter on Going Concern, the extent of the deviation shall be communicated to the investors by way of a subsequent announcement to the market via the CSE within one (1) market day from the date of obtaining the approval of the Board of Directors of the Company for such deviation.

- In the event the matters giving rise to the Emphasis of Matter on Going Concern are not resolved within a period of fifteen (15) months from the date of transferring the Securities of the Entity to the Watch List, the trading of Securities of the Listed Entity shall be suspended. In the event the trading suspension continues for a period in excess of twelve (12) months the securities of the Company shall be delisted by the Board of Directors of the CSE in terms of Rule 11.3 (a).
- In the event the matters giving rise to the Emphasis of Matter on Going Concern are resolved and such fact is independently verified by an auditor during the period the Securities of Company are on the Watch List, it shall be announced to the Market via the CSE forthwith.

Yours faithfully

BY ORDER OF THE BOARD OF ANILANA HOTELS AND PROPERTIES PLC


A.C. Seneviratne
Managing Director