

July 18, 2022

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

Dear Sir

**BROWNS BEACH HOTELS PLC**  
**NON-COMPLIANCE ANNOUNCEMENT AS REQUIRED BY RULE 7.14.2 (I) (a)**  
**OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE**

In terms of Rule 7.14.2 (I) (a) of the Listing Rules of the Colombo Stock Exchange (CSE) it is hereby announced that, the Company has not maintained the minimum public holding percentage as stipulated by Rule 7.14.1 (i) of the Listing Rules.

As required by the said Rule 7.14.2 (I) we give below the information pertaining to the public holding of the Company as at the end of the first quarter of the year 2022/2023:

|       |                                      |   |                  |
|-------|--------------------------------------|---|------------------|
| (i)   | Float Adjusted Market Capitalization | - | Rs. 92,003,642/- |
| (ii)  | Public Holding Percentage            | - | 9.22%            |
| (iii) | Number of Public Shareholders        | - | 2,644            |

The proposed Rectification Plan to be adopted by the Company in order to comply with Rule 7.14.1 (i) is outlined below:

- (a) Melstacorp PLC, Aitken Spence Hotel Holdings PLC and Stassen Exports (Private) Limited, the three largest shareholders of the Company, have agreed to divest, within a reasonable time, a minimum of 0.78% of the issued shares proportionate to their shareholding, on the trading floor of CSE in order that the Public Holding percentage of the Company could be increased to 10% of the issued shares.
- (b) Upon completion of the transfer of shares as aforesaid which results in the Public Holding being increased to 10% of the issued shares, the Company will request the CSE to transfer the Company's shares to the Diri Savi Board of the CSE.

Yours faithfully

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



Benjamin Poopalapillai  
Assistant Vice President – COMPANY SECRETARIAL DIVISION