



# Browns Beach Hotels PLC

Co. Reg. No. PQ. 202

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## CERTIFIED TRUE COPY OF THE RESOLUTION OF THE BOARD OF DIRECTORS DATED 19<sup>TH</sup> JANUARY 2026 – CR 01/2026

### DELISTING OF THE SHARES COMPANY FROM THE COLOMBO STOCK EXCHANGE

**WHEREAS** Browns Beach Hotels PLC (the “**Company**”) is listed on the Main Board of the Colombo Stock Exchange (“**CSE**”); and

**WHEREAS** the business of the Company and its subsidiary Negombo Beach Resorts (Private) Limited have been experiencing sustained losses over a period of time due to challenges faced by the 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; and

**WHEREAS** the shares of the Company were transferred to the Watch List on 01<sup>st</sup> August 2024 pursuant to the requirements of Rule 7.5 (d) (ii) (A) 5 (a) of the Listing Rules of the Colombo Stock Exchange (the “**Listing Rules**”) due to an Emphasis of Matter on “Going Concern” in the auditors’ report for the financial year ended 31<sup>st</sup> March 2024 and 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; and

**WHEREAS** 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 of the Company for the next few years will be inadequate to resolve the Emphasis of Matter on “Going Concern” within the prescribed time period; and

**WHEREAS** the Company is currently not in compliance with the minimum public holding requirements stipulated in Rule 7.13(i)(a) of the Listing Rules and the securities of the Company are therefore on the Second Board and 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 of directors of the Company (the “**Board**”) that the implementation of any of such rectification actions is not viable in the current economic climate; and

**WHEREAS** having concluded a further evaluation of the rectification options and considered all attendant 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; and

**WHEREAS** Melstacorp PLC and Aitken Spence Hotel Holdings PLC (the “**Major Shareholders**”) have indicated their willingness to purchase the shares held by the minority shareholders at a price of Sri Lanka Rupees Thirty (LKR 30) per share (“**Exit Offer Price**”) which is determined in accordance with Rule 14.1.1(ii) of the Listing Rules and accordingly constitutes a premium to all of the valuation parameters set forth in Rule 14.1.1(ii) of the Listing Rules, namely, (i) the Intrinsic Valuation computed based on Discounted Cash Flow, (ii) Relative Valuation computed based on Enterprise Value (EV) to Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) Ratio (“**Relative Valuation**”) and (iii) the Volume Weighted Average Price of the Company’s shares over the immediately preceding year.

Accordingly, **IT IS HEREBY RESOLVED THAT:**

1. the Company do, subject to the approval of the shareholders of the Company and necessary regulatory approval, take steps in terms of Rule 14 of the Listing Rules, to delist the shares of the Company from the Official List of the CSE and arrange for the purchase by the Major Shareholders of the shares held by the minority shareholders at the Exit Offer Price of Sri Lanka Rupees Thirty (LKR 30) per share;
2. upon delisting its shares from the Official List of the CSE, the Company is deemed to have resolved to change its status from a public listed company to a public company and to have changed its name from "Browns Beach Hotels PLC" to "Browns Beach Hotels Limited" in accordance with the provisions of the Companies Act, No. 7 of 2007;
3. the existing Articles of Association of the Company be duly amended to reflect the aforementioned change of status and name of the Company;
4. the Company do issue a circular to the shareholders, substantially in the form of the draft attached hereto,
5. and convene an Extraordinary General Meeting of the Company to obtain the approval of the shareholders for the proposed delisting of shares, the Exit Offer Price of Sri Lanka Rupees Thirty (LKR 30) per share in accordance with Rule 14.1.1 of the Listing Rules and the proposed amendments to the existing Articles of Association of the Company;
6. Mr. C M S Jayawickrama and Mr. C R Stanislaus, Directors of the Company together with the Company Secretaries be authorised to take all necessary steps whatsoever with regard to the aforesaid delisting of shares of the Company from the Official List of the CSE including but not limited to making all necessary announcements to the CSE, signing of requisite delisting documentation and obtaining necessary corporate and regulatory approvals;
7. the Company Secretaries be authorized to sign the circular to the shareholders, substantially in the form of the draft attached hereto, and notice convening the Extraordinary General Meeting of the Company to obtain the approval of the shareholders for the proposed delisting of shares for and on behalf of the Company; and
8. the Company be authorized to, for and on behalf of the Major Shareholders, be in charge of the procedure to be adopted for the exit offer to shareholders, including the preparation of the exit offer documentation to be sent to the shareholders of the Company subsequent to obtaining approval of the shareholders of the Company in accordance with Rule 14.1.1 of the Listing Rules, for the delisting and the Company do issue an offer document to the shareholders, substantially in the form of the draft attached hereto, to record the terms and conditions pertaining to the purchase of shares of the minority shareholders and the procedure to be followed by the minority shareholders for the sale of the shares held by them in the Company to the Major Shareholders.

**CERTIFIED TRUE COPY**

  
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Secretaries  
Aitken Spence Corporate Services (Private) Limited