

27<sup>th</sup> March 2024

## **CIRCULAR TO SHAREHOLDERS – EXTRAORDINARY GENERAL MEETING**

Dear Shareholders,

### **MAJOR TRANSACTION**

Galadari Hotels (Lanka) PLC (**“the Company”**) intends to obtain a Loan of approximately USD 20 million (which includes the principal facility of AED 73,400,000 and a Green Loan Tranche<sup>1</sup> up to AED 14,680,000) (**“the Loan”**) from an overseas lender - Mashreq Bank PSC, United Arab Emirates (**“Mashreq Bank”**).

The purpose of the Loan is to finance the 1<sup>st</sup> phase of the refurbishment of Galadari Hotel located at No.64, Lotus Road, Colombo 1 (**“Hotel”**) including costs related to renovation and maintenance of 196 guestrooms, public areas, façade and design. The proposed refurbishment is undertaken by the Company in preparation of the management and operation of the Hotel by Radisson Hotels Asia Pacific Investments Pte. Ltd and/or one or more of its affiliates under the name **“RADISSON BLU HOTEL GALADARI COLOMBO”**.

In this regard, subject to obtaining the necessary corporate and regulatory approvals, the Company will enter into the following Agreements:

- Term Loan Agreement (**“TLA”**) with Mashreq Bank (Lender) and Galadari Brothers Co. LLC (**“GB”**) (as a Co Borrower) (the principal loan agreement);
- Movable Security Agreement (which relates to the pledge over a Debt Service Reserve Account<sup>2</sup> and Project Account<sup>3</sup> of the Company in favour of Mashreq Bank)
- International Swaps and Derivatives Agreement (ISDA) (which covers the interest rate exposure in the event the Company wishes to fix a rate against a floating SOFR<sup>4</sup>)

Subject to the terms of the TLA, the tenure of the loan is 7 years and the repayment will be in quarterly installments.

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<sup>1</sup> Green Loan Tranche is the portion of the Loan which is considered under the sustainability and ESR initiative of Mashreq Bank

<sup>2</sup> Debt Service Reserve Account (DSRA) is an Account to be opened by the Company with Mashreq Bank which will at all times maintain a balance of at least ¼ of debt service (Principal + Interest)

<sup>3</sup> Project Account will be opened by the Company with Mashreq Bank through which the Loan will be disbursed to the Company’s relevant account in Sri Lanka

<sup>4</sup> SOFR - Secured Overnight Financing Rate

The security to be granted in favour of Mashreq Bank for the repayment of the Loan, in terms of the said TLA and subject to obtaining the necessary regulatory approvals include:

- Duly executed Movable Security Agreement
- Negative Pledge over the Collections Account<sup>5</sup>
- Assignment of all Risk Insurance policy <sup>6</sup>
- Mortgage of the leasehold interest over the Hotel property

The obtaining of the said Loan has been determined by the Board to be a Major Transaction under and in terms of Section 185 of the Companies Act No.7 of 2007 (as amended).

Accordingly, the Board of Directors have decided to convene an Extraordinary General Meeting (EGM) of the Company on Thursday, 18<sup>th</sup> April 2024 at 3.30pm (IST) as a virtual meeting emanating from the “Board Room” of Galadari Hotels (Lanka) PLC, No. 64, Lotus Road, Colombo 01, to consider and if deemed fit to pass the following Special Resolution:

**“IT IS HEREBY RESOLVED THAT** the obtaining of a Loan of approximately USD 20 million (which includes the principal facility of AED 73,400,000 and a Green Loan Tranche up to AED 14,680,000) by the Company from Mashreq Bank PSC, United Arab Emirates subject to the Term Loan Agreement and other agreements/documents incidental thereto to be entered into with the Bank, which amounts to a Major Transaction, be and is hereby approved subject to obtaining the necessary regulatory approvals.”

Enclosed herewith is the Notice convening the EGM of the Company setting out the said Special Resolution to give effect to the above.

#### **Virtual Meeting**

All the shareholders are welcome to participate via online at the virtual meeting. You are kindly requested to complete and return the Registration Form to reach the Registered Office of the Company, No. 48, Rosmead Place, Colombo 07 or forwarded by email to [egm@galadari.lk](mailto:egm@galadari.lk) and/or [cccs@tiruchelvam.com](mailto:cccs@tiruchelvam.com) in order to enable the Company to receive the same not less than forty eight (48) hours prior to the time appointed for the holding of the EGM.

The two local Board Directors, Key Management Personnel, Company Secretaries and Registrars to the Company will assemble at the Board Room of the Company for the purpose of hosting the Meeting. The Foreign Directors will be participating via video conferencing.

The Form of Proxy and the Registration Form are available on [www.galadarihotel.lk](http://www.galadarihotel.lk)

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<sup>5</sup> Account to be opened and maintained by the Company in Sri Lanka to which a minimum 60% of the turnover of the Company will be paid

<sup>6</sup> from a reputed Insurance company including a 30 days cancellation clause stating that the policy will not be cancelled without written consent of the Bank

The login information will be only for the use by individual shareholders, proxy holders and representatives in case of institutional shareholders the Company will not be responsible or liable for misuse. Where the proxy holders are concerned, please note that the login information will only be shared with those in whose favour a valid proxy has been submitted by the shareholder.

Shareholders who are unable to participate at the meeting physically are encouraged to appoint an Independent Director as their proxy, having marked their preferences in respect of the said Special Resolution. Shareholders can send in their queries, if any, to Ajantha Anton on [egm@galadari.lk](mailto:egm@galadari.lk) and 011 2544544 Ext. 251 or Umashi Chamodya on [cccs@tiruchelvam.com](mailto:cccs@tiruchelvam.com) and 011 2690037 not less than three (03) days before the date of the Meeting, in order to enable the Company Secretaries sufficient time to compile and forward same for the attention of the Board of Directors so that the same could be addressed at the meeting.

**BY ORDER OF THE BOARD,**



**CENTRAL CORPORATE AND CONSULTANCY  
SERVICES (PRIVATE) LIMITED**



**Company Secretaries to;  
GALADARI HOTELS (LANKA) PLC**

## EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF GALADARI HOTELS (LANKA) PLC WILL BE HELD AS A VIRTUAL MEETING EMANATING FROM THE "BOARD ROOM" OF GALADARI HOTELS (LANKA) PLC, NO. 64, LOTUS ROAD, COLOMBO 01, ON THURSDAY, 18<sup>TH</sup> APRIL 2024 AT 3.30PM (IST) TO CONSIDER AND IF DEEMED FIT TO PASS THE FOLLOWING:

### SPECIAL RESOLUTION:

#### Major Transaction

"IT IS HEREBY RESOLVED THAT the obtaining of a Loan of approximately USD 20 million (which includes the principal facility of AED 73,400,000 and a Green Loan Tranche up to AED 14,680,000) by the Company from Mashreq Bank PSC, United Arab Emirates subject to the Term Loan Agreement and other agreements/documents incidental thereto to be entered into with the Bank, which amounts to a Major Transaction, be and is hereby approved subject to obtaining the necessary regulatory approvals."

#### BY ORDER OF THE BOARD



CENTRAL CORPORATE AND CONSULTANCY  
SERVICES (PRIVATE) LIMITED



Company Secretaries to:  
GALADARI HOTELS (LANKA) PLC

27<sup>th</sup> March 2024

#### Notes:

- A shareholder is entitled to appoint a Proxy to attend and vote instead of him/herself and a Proxy need not be a shareholder of the Company. The Form of Proxy can be found on the Company's website ([www.galadarihotel.lk](http://www.galadarihotel.lk))
- Shareholders are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.
- The duly completed forms of proxy should be posted or delivered to the Registered Office of the Company at No. 48, Rosmead Place, Colombo 07 or forwarded by email to [egm@galadari.lk](mailto:egm@galadari.lk) and/or [cccs@tiruchelvam.com](mailto:cccs@tiruchelvam.com) in order to enable the Company to receive the same not less than forty-eight (48) hours prior to the time appointed for the holding of the EGM.
- In the event an individual Shareholder and his/her proxy holder are both present at the Meeting, only the Shareholder's vote is counted.

**GALADARI HOTELS (LANKA) PLC  
FORM OF PROXY**

I/We\* the undersigned ..... of  
.....being a shareholder/shareholders\* of Galadari Hotels (Lanka) PLC do hereby  
appoint.....  
.....of.....  
..... whom failing

- MR. MOHAMMED ABDULLATIF IBRAHIM GALADARI (whom failing)
- MR IBRAHIM ABDULLATIF IBRAHIM GALADARI (whom failing)
- MR. LALITH RUKMAN DE SILVA (whom failing)
- DR. JOHN ANTHONY SHIVAJI FELIX (whom failing)
- MR. VENKATRAMANAN RADHAKRISHNAN

as my/our\* proxy to represent me/us\*, .....(\*\*) and vote on my/our\* behalf at the  
Extraordinary General Meeting of the Company to be held on Thursday, 18<sup>th</sup> April 2024 at 3.30pm (IST)  
and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We\*, the undersigned, hereby direct my/our\* proxy to vote for me/us\* and on my/our\* behalf on  
the specified Resolution as indicated by the letter "X" in the appropriate cage:

**SPECIAL RESOLUTION:**

**"IT IS HEREBY RESOLVED THAT** the obtaining of a Loan of approximately  
USD 20 million (which includes the principal facility of AED 73,400,000  
and a Green Loan Tranche up to AED 14,680,000) by the Company from  
Mashreq Bank PSC, United Arab Emirates subject to the Term Loan  
Agreement and other agreements/documents incidental thereto to be  
entered into with the Bank, which amounts to a Major Transaction, be  
and is hereby approved subject to obtaining the necessary regulatory  
approvals."

FOR	AGAINST
<input type="checkbox"/>	<input type="checkbox"/>

Signed on this .....day of .....Two Thousand and Twenty Four.

.....  
Signature of Shareholder

**\*Please delete as appropriate.**

**Notes:**

If you wish your Proxy to speak at the Meeting you should insert the words "to speak" in the place  
indicated with two asterisks (\*\*) and initial such insertion.

Please indicate with an "X" in the space provided how your Proxy is to vote. If there is, in the view of the Proxy holder doubt (by reason of the way in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder shall vote as he/she thinks fit.

A Proxy holder need not be a shareholder of the Company

As mentioned in the Circular to the Shareholders dated 27<sup>th</sup> March 2024 the Extraordinary General Meeting (EGM) will be held as a virtual meeting. Instructions given in the Circular to Shareholder must be followed to join the meeting virtually.

#### **INSTRUCTION AS TO COMPLETION**

1. The duly completed form of proxy should be posted or delivered to the Registered Office of the Company at No. 48, Rosmead Place, Colombo 07 or forwarded by email to [egm@galadari.lk](mailto:egm@galadari.lk) and/or [cccs@tiruchelvam.com](mailto:cccs@tiruchelvam.com) in order to enable the Company to receive the same not less than forty-eight (48) hours prior to the time appointed for the holding of the EGM.
2. The full name and address of the Proxy holder and of the Shareholder appointing the Proxy holder should be entered legibly in the Form of Proxy.
3. If you wish to appoint a person other than the Chairman (or failing him, one of the Directors) as your Proxy, please insert the relevant details overleaf and initial against this entry.
4. In the case of a Company/Corporation, the Proxy must be under its Common Seal (if applicable), which should be affixed and attested in the manner prescribed by its Articles of Association.
5. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy if it had not already been registered with the Company