



John Keells Holdings PLC

117 Sir Chittampalam A. Gardiner Mawatha, Colombo 2, Sri Lanka
Tel +94 (11) 230 6000
jkh@keells.com www.keells.com

Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
04-01, West Block
World Trade Centre
Colombo 1

30 July 2024

Dear Sir,

JOHN KEELLS HOLDINGS PLC (JKH; the "Company")
ANNOUNCEMENT OF RIGHTS ISSUE OF ORDINARY SHARES, FOLLOWED BY A SUB-DIVISION OF
ORDINARY SHARES

We write to inform you that the Board of Directors of John Keells Holdings PLC, resolved on 30 July 2024 to recommend to the Shareholders a Rights Issue of Ordinary Shares, followed by a Sub-division of Ordinary Shares.

1. Rights Issue of Shares

- i. **Number of shares to be issued:** 150,263,595 Ordinary Shares, which shall rank *pari passu* with the existing Ordinary Shares.
- ii. **The proportion in which shares are to be issued:** One (1) new Ordinary Share for every Ten (10) Ordinary Shares held by the Shareholders in the Register of Shareholders as at the relevant date (Record Date).
- iii. **The consideration for which the shares are to be issued:** Rs.160/- per share
- iv. **Anticipated Proceeds from the Rights Issue:** Rs.24,042,175,200/-
- v. **The current stated capital of the Entity:** Rs.91,253,863,510.96 represented by 1,502,635,957 Ordinary Shares

The proceeds of the Rights Issue (Proceeds) will be used to support the project funding requirement at Waterfront Properties (Private) Limited (WPL), a subsidiary of the Company. WPL is the developer of the 'City of Dreams Sri Lanka' integrated resort (the Project, previously branded as 'Cinnamon Life Integrated Resort').

The Proceeds will support the Company's financing obligations, which has increased due to the higher than anticipated equity funding requirement of the Project required to bridge the impacts of the delayed cashflow generation from operations due to the deferment of the commencement date, including the gaming operations. The capital raising will result in strengthening the balance sheet of the Company by reducing its levels of leverage, providing the Company greater flexibility in its future investments.

The Company has secured a partnership with one of the world's leading casino and integrated resort operators, Melco Resorts & Entertainment Limited ('Melco'). Melco has made a commitment to invest approximately USD 125 million in fitting out and equipping the gaming space. This partnership was finalised subsequent to the publication of regulations governing the issue of a casino license under a structured and transparent framework. The revised licensing criteria provides for a clear framework for the issuing of licenses with stipulated minimum investment while also assuring Melco, as investor and operator, and WPL, as landlord, a long-term license for a casino to be operated within the Project for a period of 20 years. The time taken for the development and gazetting of this new framework resulted in a delay in finalising agreements with Melco. While this had a corresponding impact on the timelines of commencing the gaming operations within the Project from that envisaged last year, the Company is of the view that the clarity and long-term nature of the licensing framework is more beneficial to the Project.

The 'Cinnamon Life' hotel, restaurants and banquet facilities will commence operations in October 2024 while the gaming operations and retail mall, will be operational, in a phased manner, with overall completion of these elements scheduled for mid-CY2025.

2. Sub-division of Shares

The Board of Directors of the Company also resolved that it be recommended to the Shareholders that, subsequent to the completion of the aforesaid Rights Issue, the number of shares of the Company in issue be increased by way of a Sub-division of Ordinary Shares. The Sub-division of Shares would take place based on the number of shares upon the listing of shares pursuant to the Rights Issue.

- i. **Number of shares to be sub-divided***: 1,652,899,552 Ordinary Shares
- ii. **Proportion of the Sub-division**: One (1) existing Ordinary Share will be sub-divided to Ten (10) Ordinary Shares
- iii. **Number of shares after the Sub-division***: 16,528,995,520 Ordinary Shares

**Number of shares is on the assumption of a full subscription to the Rights Issue and is subject to the actual level of subscription of the Rights Issue.*

Article 8 (iii) of the Articles of Association of the Company provides that "The Company may by ordinary resolution sub-divide its shares with the objective of increasing the number of shares in issue". The Sub-division of Shares would not increase the stated capital of the Company.

The outstanding convertible debentures issued by the Company to HWIC Asia Fund will be adjusted to reflect the impact of the Rights Issue and the Sub-division of shares in accordance with the Debenture Deed, details of which will be more fully explained in the Circular to Shareholders.

The Rights Issue is subject to the Colombo Stock Exchange approving in principle the issue and listing of shares. Both the Rights Issue and the Sub-division of Shares are subject to Shareholder approval at an Extraordinary General Meeting.

Yours faithfully,
For **JOHN KEELLS HOLDINGS PLC**



Gihan Cooray
Deputy Chairperson/Group Finance Director

ANNEXURE

Extract of the Articles of Association permitting the increase of shares through Sub-division as required by the Procedure to be Adopted by Listed Entities when Increasing the Number of Shares by way of a Sub-Division

8. The Company may by ordinary resolution :-	
(iii) sub-divide its shares with the objective of increasing the number of shares in issue	Power to subdivide shares

Certified Extract

KELLS CONSULTANTS (PRIVATE) LIMITED PB 3194
SECRETARIES

Authorized Signatory

Secretaries