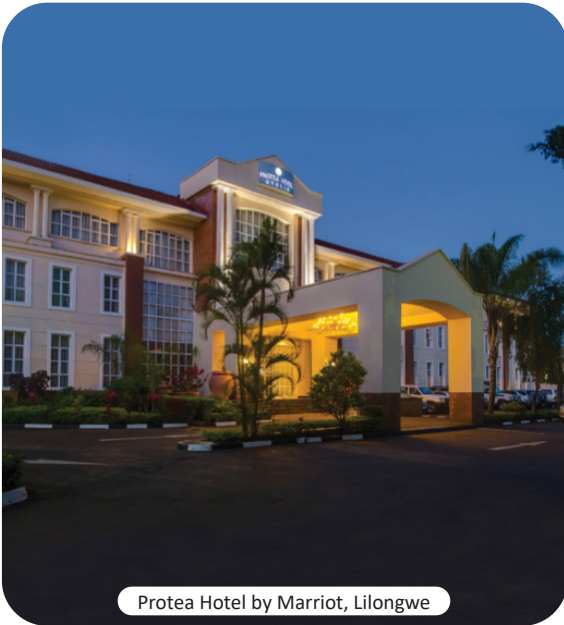


NOTICE OF EXTRAORDINARY GENERAL MEETING



Protea Hotel by Marriott, Lilongwe



Artistic impression: Protea Hotel by Marriott, Lilongwe



Construction Site: Protea Hotel by Marriott, Lilongwe



Construction Site: Protea Hotel by Marriott, Lilongwe

To: **All Members**
All Directors

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the members of the Company will be held at **Ryalls Hotel on Friday, 4 October 2024, 2:30pm** or soon thereafter to transact the following business:

ITEM NO.1 Financial statements

To receive and, if deemed appropriate, adopt the Report of the Directors, the Report of the Auditors, and the Financial Statements of the Company for the period ended 30 June 2024.

ITEM NO.2 Increase of Share Capital

To consider and, if deemed fit, to pass with or without modifications the following ordinary resolution:

Resolved that pursuant to the provisions of Article 37 of the Company's Articles of Association as read with the Companies Act, Cap. 46:03, of the Laws of Malawi (the "**Companies Act**") and following the Malawi Stock Exchange Listings Requirements, 2023 (the "**Listings Requirements**") the approval of the members is hereby granted for the increase in the authorised share capital of the Company by K250,000,000.00 from K250,000,000.00 to K500,000,000.00 divided into 10,000,000,000 ordinary shares of 5 tambala each ranking pari passu with the existing equity shares and that clause 4 of the Company's Memorandum of Association be replaced with the following clause:

The Share Capital of the Company is Five Hundred Million Kwacha only (K500,000,000.00) divided into 10,000,000,000,000.00 (Ten Billion) shares of par value five tambala (5t) each with power to increase, reduce or vary the same from time to time and to divide the shares in the capital, whether original or increased, into several classes and to attach thereto respectively any preferential, deferred qualified or special rights, privileges or conditions as may be determined at the time of issue by or in conformity with the regulations of the company for the time being.

Resolved further that to give effect to the above resolution, the Board of Directors of the Company (the "**Directors**") be and are hereby authorized to do all such acts, deeds, matters, and things and execute all such deeds, documents, instruments, and writings as they may in their sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto – **see explanatory statement on item no.2.**

ITEM NO.3 Rights Offer to all Shareholders

To consider and, if deemed fit, to pass with or without modifications the following ordinary resolution:

Resolved that subject to and contingent upon the passing of the ordinary resolution under Item no.2 in this EGM Notice:

a). A renounceable underwritten rights offer (the

"**Rights Offer**") of up to **7,000,000,000** new ordinary shares of 5 tambala each or thereabouts in the capital of the Company (the "**Rights Shares**"), at such price as the Directors may find appropriate at the time of the issue of the prospectus (the "**Issue Price**"), based on such number of Rights Shares for every one (1) existing ordinary share of the Company ("**Shares**") held by shareholders of the Company (the "**Shareholders**") who are eligible to participate in the Rights Offer ("**Entitled Shareholders**") and such other new investors ("**New Shareholders**") as will come forth to subscribe to any Rights shares not taken up by Entitled Shareholders as at a books closure date announced by the Company (the "**Books Closure Date**"), the Directors having the discretion to exercise a green shoe option (over-allotment), be and is hereby approved.

b). Authority be and is hereby given to the Directors to:

(i). issue such number of Rights Shares as the Directors may determine up to 7,000,000,000 Rights Shares at the Issue Price;

(ii). provisionally allot and issue up to 7,000,000,000 Rights Shares at the Issue Price for each Rights Share based on such number of Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date;

(iii). allot and issue the Rights Shares on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:

(aa). the provisional allotment of the Rights Shares pursuant to the Rights Offer shall be made on a renounceable underwritten basis to Shareholders whose names appear in the Register of Members of the Company as at the Books Closure Date based on such number of Rights Shares for every (1) existing Share.

(bb). to aggregate and allot the provisional allotment of the Rights Shares not taken up or allotted for any reason to satisfy excess applications for the Rights Shares by existing shareholders and, any remainder after that, to satisfy applications from the general public, over-allotment options, or otherwise dispose of or to deal with such provisional allotment of the Rights Shares and requests for splits in such manner and on such terms and conditions as the Directors may in their absolute discretion deem fit.

(cc). the Rights Shares when issued and fully paid up will rank pari passu in all respects with the then existing Shares save for any dividends, rights, allotments, or other distribution, the record date for which falls before the date of the allotment and issue of the Rights Shares; and

c). **That** the Directors be and are hereby authorised to take such steps, and do all such acts and things, including but not limited to finalising, approving, and executing all such documents as may be required in connection with the Rights Offer and the issue of the Rights Shares, and making amendments to the terms and conditions of the Rights Offer (including the Issue Price) and obtaining approvals and waivers of the Malawi Stock Exchange, Registrar of Financial Institutions and such other authorities as may be necessary and to list the Rights Shares with the Malawi Stock Exchange and to exercise such discretion as the Directors may in their absolute discretion deem fit or advisable to give full effect to this ordinary resolution and the Rights Offer, and the allotment and issue of the Rights Shares – **see explanatory statement on item no.3**

ITEM NO.4 Any other business

To transact such other business prior notice of which should have been given to the office of the Company Secretary not less than 7 days before the date of the meeting.

By order of the Board

Leonard Chisale
Company Secretary
6 September 2024

Registered office
Chibisa House
19 Glyn Jones Road
P O Box 21
Blantyre

NOTES:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed with this document. Instructions for use are shown on the form. Lodging a form of proxy will not prevent a member from attending and voting in person.
3. To be valid, the Form of Proxy (together with any power of attorney or authority under which it is signed, or a notarially certified copy of such power or authority) must be received by the Company Secretary not less than 48 hours before the time appointed for the meeting or, as the case may be, the adjourned meeting.
4. To be entitled to attend and vote at the meeting (and for the determination by the Company of the number of votes cast), members must be entered on the Company's register of members at 6.00 p.m. on 1 October 2024 or, if the meeting is adjourned, on the Company's register of members at 6.00 p.m. on the date two days before the date of any adjourned meeting.
5. A shareholder who is a corporate and who wishes to

be represented at the meeting by a person (a corporate representative) with authority to speak, or vote on a show of hands, and a poll must appoint such a person by resolution of its Directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company.

Explanatory statement: ITEM NO.2

The present authorized Share Capital of the Company is K250,000,000.00 divided into 5,000,000,000 ordinary shares of 5 Tambala each. The Company is proposing to do a rights Offer to all shareholders (the "**Rights Offer**") and proposals in this regard are contained in this notice. Considering the proposed Rights Offer and future capital growth, the Board has approved, subject to the members' approval, an increase in the authorized Share Capital to K500,000,000.00 divided into 10,000,000,000 ordinary shares of 5 tambala each to cater for future capitalization needs.

Under the provisions of Sections 83 and 89(2) of the Companies Act, Cap.46:03, Laws of Malawi, and Article 37 of the Company's Articles of Association, an increase in the Share Capital of the Company and consequent amendment in the capital clause in the Memorandum of Association of the Company requires approval of the members. Approval of the members is, therefore, sought in terms of the said provisions by way of ordinary resolution.

The Board of Directors recommends the resolution under Item No. 2 of the EGM Notice for approval of members.

None of the Directors of the Company is in any way personally concerned or interested in the resolution.

ITEM NO.3

At the Board Meeting of 6 September 2024, the Directors recommended that the Company raises further capital by way of a Rights Offer to all members of the Company. The capital to be raised is **K62,400,000,000.00** or thereabouts as determined by the Directors. If the said capital is raised, the Company will have realized the means for completing the construction of a hotel property in the City of Lilongwe in line with its business expansion and growth strategy.

Background to the hotel project

The Company's main business is the provision of accommodation, conferencing, and catering services. It operates a 117-bed Protea Hotel Ryalls by Marriott in the City of Blantyre where it enjoys world-class custom from domestic and international business and leisure clientele.

The Company has for so many years operated a single hotel in the City of Blantyre. To expand its footprint into the ever-growing City of Lilongwe, the Company teamed up with other institutional investors to develop a hotel property in the City of Lilongwe through a special purpose limited company (SPV), Oasis Hospitality Limited ("**Oasis**"). Oasis will own the hotel property and lease it out to the Company to operate the hotel. The hotel property site is set on a 3.271-hectare piece of land, part of the lushly planted Lilongwe Golf Course. The existing golf clubhouse has been re-configured, creating a world-class golf estate, 180-bed hotel, and conferencing and events venue. Construction of the hotel property is at an advanced stage.

When completed, the new hotel will be operated under

a management agreement with Marriott International, Inc. ("**Marriott**"), a leading and widely known luxury hotel management company. It will carry the brand name, 'Protea Hotel by Marriott'. Marriott is a leading global lodging company operating more than 6,000 hotels in 122 countries and territories.

Additional capital is required

Additional capital is required to complete the project in time, and the Company has embarked on a capital-raising drive to mobilise the additional capital from its existing shareholders as well as from new subscribers (corporate, institutional, individual investors, and ordinary Malawians). When completed, the 4-star hotel will greatly broaden the hospitality, events, and conferencing offerings of the City of Lilongwe for the East and Southern Africa region.

The Rights Offer

Under Sections 92 and 102 of the Companies Act, Article 38 of the Company's Articles of Association, paragraph 4.40 of the MSE Listings Requirements, and paragraph 19(1)(a)(i) of the Securities (Registration Requirements of Securities) Directives 2024 a resolution of the members is required to approve the Rights Offer. The members must also stipulate the maximum discount, if any, at which the Rights shares may be issued. Workings As to what levels of discount would be optimal for this Rights offer will be contained in the Circular to Members.

Article 38 of the Company's Articles of Association also requires that new shares of the Company be offered in the first instance to existing shareholders proportionate to their existing shareholding ("**Pre-emption Rights**") unless the shareholders by ordinary resolution before the Offer of the new shares make provision that the new shares be issued and allotted otherwise. However, when shares are offered to existing Shareholders, the Shareholders are not bound to accept the offer. Others may accept only part of the offered shares. Dealing with the Shares not taken up during a Rights Offer in accordance with Pre-emption Rights can be cumbersome, expensive, and slow. The resolution in Item No. 3 seeks to empower the Directors to execute the Rights Offer in an efficient and orderly manner having first respected the Pre-emption Right of every Shareholder and thereafter deal with renunciations and application for splits and other attendant matters as expeditiously and efficiently as possible without being bound to consider Pre-emption Rights again.

In connection with this Rights Offer, the Directors also request the members' approval that the Company be at liberty (but not under an obligation) to exercise an option to over-allot or effect transactions (of not more than 15 % of the Rights Offer size) which may support the market price of the Company's shares post the Rights Offer at a level higher than that which might otherwise prevail for a limited period after the listing date. Such stabilizing action, if undertaken, is not to continue beyond 30 calendar days after the listing date under any circumstances. Details as to the rationale for the green shoes option will be contained in the Circular to Members.

The Directors recommend the resolution under Item No.3 of the EGM Notice for approval of members.

None of the Directors of the Company is in any way personally concerned or interested in the resolution except to the extent that Directors holding shares in the Company will have their Pre-emption Rights treated the same way as the rest of the Shareholders and they will vote in favour of the resolution.