



Blantyre Hotels Plc

("BHL" or the "Company")
Company registered number 178

PROTEA HOTELS.
MARRIOTT
LILONGWE RYALLS

Public Announcement Terms and conditions of the proposed Rights Issue (Pursuant to the MSE Listings Requirements)

Shareholders are referred to the announcement released in the papers on 11 October 2024, which dealt with the partially underwritten renounceable rights offer of 5,038,504,230 new ordinary shares ("Rights Shares") at a discounted issue price of K12.38 per Rights Share in the ratio of 6 Rights Shares for every one existing ordinary share held (the "Rights Offer").

The proposed Rights Offer is partially underwritten by Insurance companies and pension funds.

The details and terms and conditions of the proposed Rights Offer are as follows:

1. Reasons for the Rights Issue

BHL is developing a new four-star hotel in Lilongwe, Malawi (the "Project"). The hotel is expected to open in February 2026. It will be operated under the Protea Hotels brand by Marriott, aligning with BHL's commitment to offering high-quality hospitality services.

The Project is being implemented through a special purpose vehicle limited liability company, Oasis Hospitality Limited (the "SPV"). Due to adverse market conditions characterized by acute shortages of foreign currency and a depreciating local currency, the equity and debt capital previously raised by the SPV cannot now take the Project to completion. To complete the Project, further capital estimated at K88.7 billion is required. Out of the K88.7 billion about K26.3 billion will be raised through foreign currency-denominated debt to ensure that the importation of construction materials is not hampered. This leaves the balance of K62.4 billion to be raised otherwise. BHL, as the sponsor of the SPV and of the Project, has undertaken to raise the funding shortfall of K62.4 billion to minimize completion risk, hence the Rights Offer.

2. Use of proceeds

Part of the K62.4 billion being raised through the Rights Offer will be injected into the SPV as equity for the completion of the Project (i.e., Phase 2 of the Project). Phase 2 of the Project will involve the completion of the building, purchase, and fitting of tiles, mechanical and service installations, electrical works, roofing works, finishings. The other component will be utilized for procurement of furniture, fittings and equipment for hotel operations.

3. Terms of the Proposed Rights Offer

- 3.1. The Company hereby offers a total of 5,038,504,230 Rights Shares or thereabouts in the capital of the Company, upon the terms and conditions set out in the prospectus, by way of a renounceable partially underwritten rights offer, at a discounted price of K12.38 per Rights Share based on 6 Rights Shares for 1 existing ordinary share of the Company held by shareholders as at the Record Date ("Entitled Shareholders").
- 3.2. Entitled Shareholders will be entitled to participate in the Rights Issue.
- 3.3. Entitled Shareholders will be at liberty to:
 - 3.3.1 Accept all the Rights Shares allocated to them.
 - 3.3.2 Accept part and sell part of the Rights Shares allocated to them.
 - 3.3.3 Apply for more Rights Shares in addition to those allocated to them in terms of the Rights Offer.
 - 3.3.4 Trade in nil paid rights and fully paid rights from the opening of the subscription period up to the close of the subscription period.
 - 3.3.5 Renounce their rights in favour of their preferred renounees.
- 3.4. Entitles Shareholders that take no action or take the action indicated in 3.3.4 will be taken to have renounced their rights generally.
- 3.5. The subscription price of K12.38 per Rights Share is payable in full, in Malawi Kwacha, by Entitled Shareholders or their respective renounees on acceptance of the offer.
- 3.6. The Rights Shares will, when issued and fully paid, rank pari passu in all respects with the existing ordinary shares in terms of both voting rights and dividends save for any dividends, rights, or other distribution, the record date for which falls before the date of the issue of the Rights Shares.

4. Further details

Further details and final terms and conditions of the proposed Rights Issue will be contained in the Rights Offer Prospectus to be circulated to all shareholders on or about 28 October 2024.

5. Participation by the majority shareholders

NICO Life Insurance Company Limited (31.37% shareholder) has undertaken to follow a majority of its rights. Also, Africap LLC (32.15% shareholder) has undertaken to follow a majority of its rights.

6. Approvals

The proposed Rights Offer was approved by the Directors of the Company on 6 September 2024 and by the Shareholders on 10 October 2024.

7. Action to be taken

If you are an Entitled Shareholder, a Letter of Allocation with a Form of Subscription Instructions for completion by Entitled Shareholders will be enclosed with the Rights Offer Prospectus, and the relevant procedure for participation in the Rights Offer is set out in the said form, and the Prospectus. The Prospectus and the Letters of Allocation will be available from Monday, 28 October 2024.

8. Listing and trading

Subject to the MSE granting its approval, the Rights Shares, once issued, will be listed on the MSE for trading on or about 2 December 2024.

Dated the 21st day of October 2024

Leonard Chisale
Company Secretary
Blantyre Hotels Plc

Joint Lead Advisors



NICO Capital



Bridgepath Capital
Invest to Achieve

Legal Advisors



Reporting Accountants

Deloitte.

Sponsoring Broker



Important information

This announcement is an advertisement. It is not a prospectus, disclosure document, or offering document under the laws of Malawi or any other law and does not purport to be complete. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights, Fully Paid Rights, or Rights Shares offered by any person in any jurisdiction in which such an offer or solicitation is unlawful.

The transfer of the Nil Paid Rights, Fully Paid Rights, or Rights Shares into jurisdictions other than Malawi may be restricted by law. Persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any jurisdiction.

Neither the content of the BHL website nor any website accessible by hyperlinks on the BHL's website is incorporated in, or forms part of, this announcement.

Certain statements made in this announcement constitute forward-looking statements. These statements include information concerning BHL's financial condition, BHL's results of operations and business strategy, plans, and objectives. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "targets", "may", "will", "continue", "project", and similar expression, as well as statements in the future tense, identify forward-looking statements. These forward-looking statements are not guarantees of BHL's future performance and are subject to assumptions, risks, and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements.

Except as may be required by law or regulation, BHL undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this announcement.

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