



JOHN KEELLS HOLDINGS PLC

(Company Registration No. PQ 14)

THIS DOCUMENT IS OF VALUE

CIRCULAR TO SHAREHOLDERS

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER PROFESSIONAL ADVISOR IMMEDIATELY.

This page is intentionally left blank.

29 November 2021

Dear Sir/Madam,

PROPOSED PRIVATE PLACEMENT
FOR THE SRI LANKAN RUPEE EQUIVALENT OF USD 80 MILLION
AMOUNTING UP TO A MAXIMUM OF 122,500,000 NEW ORDINARY SHARES
OF JOHN KEELLS HOLDINGS PLC ("JKH")
TO ASIAN DEVELOPMENT BANK ("ADB")

A. BACKGROUND

The Board of Directors (the "Board") of John Keells Holdings PLC ("JKH" or the "Company") resolved on 22 November 2021, subject to the approval of Shareholders by means of a special resolution at an Extraordinary General Meeting ("EGM"), to raise funds through a private placement of up to a maximum cumulative amount of the Sri Lankan Rupee ("LKR") equivalent of USD 80 million to Asian Development Bank ("ADB"), through the issuance of up to a maximum of 122,500,000 new ordinary shares of the Company in two phases, collectively referred to as the "Proposed Private Placement". This will be a maximum post-issue dilution of 8.5 per cent.

The Proposed Private Placement would be for an upfront issue of ordinary shares ("Initial Placement Shares") for an initial issue size of the LKR equivalent of USD 50 million ("Phase 1"). At the time of issue of the Initial Placement Shares, the Company will also issue to ADB unlisted, non-tradable and non-transferable options ("Options"), which will entitle ADB, at its discretion and option, to subscribe for additional new ordinary shares of the Company ("Option Shares"), within a period of 12 months from the date of subscription for the Initial Placement Shares for an investment amount of up to the LKR equivalent of USD 30 million ("Phase 2").

Salient features of the Proposed Private Placement are provided in Section B below.

The purpose of this Circular is to, among others, furnish information to Shareholders of the Company, thereby enabling them to make an informed decision on the resolution to be proposed at the Extraordinary Shareholders' Meeting arising from the Proposed Private Placement.

B. THE ISSUE

1. Further to the Company's announcement dated 22 November 2021 of the Proposed Private Placement, in-principle approval has been obtained by the Company from the Securities and Exchange Commission of Sri Lanka ("SEC") and the Colombo Stock Exchange ("CSE") to proceed with the Proposed Private Placement, subject to Shareholder approval by means of a special resolution at an EGM, ADB Board approval and conformance with regulatory requirements, as applicable to the parties.

The Proposed Private Placement would follow a two-phased approach as discussed below:

2. Principal Terms of the Proposed Private Placement

Investor: Asian Development Bank

PHASE 1

Issue Size: LKR equivalent of USD 50 million.

The LKR equivalent of USD 50 million will be based on the exchange rate at the point of transfer of funds to JKH from the Inward Investment Account of ADB.

Issue Price: LKR 154.50 per share (the closing market price as at 19 November 2021), which is the last closing share price prior to the announcement of the Proposed Private Placement to the CSE.

The volume weighted average price ("VWAP") of the Company during the preceding 90 calendar days is as follows:

Table 1

	VWAP (LKR)
Market closing price as at the market day immediately prior to the date of announcement to the CSE	154.50
90-day price	141.00

Accordingly, the Issue Price of the Proposed Private Placement would be approximately a 10 per cent premium compared to the above 90-day VWAP.

Initial Placement Shares: The number of Initial Placement Shares that would be subscribed for by ADB would be arrived at by dividing the LKR equivalent of USD 50 million by the Issue Price of LKR 154.50 per share. This is subject to the maximum threshold of 122,500,000 shares to be issued to ADB through the two-phased transaction.

The following table illustrates the number of Initial Placement Shares that would be issued depending on the exchange rate prevailing on the date of subscription and the impact of the same on existing shareholders.

Table 2

Phase 1 - Issue of Initial Placement Shares	Scenario A	Scenario B
LKR/USD exchange rate as at the date of subscription	202.192 <i>As at 19 November 2021</i>	235.00
USD Value of Investment (USD)	50,000,000	50,000,000
Issue Price (Rs.)	154.50	154.50
LKR value of the Issue Size (Rs. Million)	10,110	11,750
No of Initial Placement Shares issued to ADB	65,434,304	76,051,780
Ordinary shares in circulation immediately post Phase 1	1,385,210,755	1,395,828,231
Post-issue dilution in Phase 1	4.7%	5.4%

Options: ADB will be issued 3 (three) Options for every 5 (five) Initial Placement Shares.

Each Option would entitle ADB to subscribe for 1 (one) Option Share under Phase 2 of the Proposed Private Placement i.e. 1 (one) ordinary share will arise from the exercise of 1 (one) Option.

The total number of Options, and, thereby Option Shares, would however be capped such that the totality of the Initial Placement Shares and Option Shares, if the Options are exercised by ADB, would not exceed 122,500,000 new ordinary shares of the Company, which is equivalent to a post-issue dilution of 8.5 per cent.

The ensuing Table 3 illustrates the maximum number of Options, and, resultantly, the Option Shares that could be issued to ADB, illustrating further on the scenarios given under Table 2 above.

Table 3

Phase 1 - Issue of Options	Scenario A	Scenario B
LKR/USD exchange rate as at the date of subscription	202.192 <i>As at 19 November 2021</i>	235.00
Number of Initial Placement Shares issued to ADB	65,434,304	76,051,780
Maximum number of Initial Placement Shares + Options that can be issued	122,500,000	122,500,000
Determination of Options issued to ADB:		
Options that can be issued based on a 5:3 ratio [A]	39,260,583	45,631,068
Options that can be issued based on the maximum limit of 122,500,000 shares [B]	57,065,696	46,448,220
Options issued to ADB (Lower of [A] and [B])	39,260,583	45,631,068

Note: As per Scenario A above, if the Initial Placement Shares is 65,434,304, ADB will be entitled to 39,260,583 Options, which if exercised in full will result in a further post-issue dilution of 2.8 per cent, taking the total post-issue dilution to 7.3 per cent.

PHASE 2

Option Exercise Period: The Options issued under Phase 1 will be exercisable during a 3-month window commencing on the date which is 9 months from the date of subscription for the Initial Placement Shares. This entitlement will expire 12 months from the date of subscription for the Initial Placement Shares.

Issue Size: LKR equivalent up to USD 30 million, if the Options are exercised.

The LKR equivalent of the above for Phase 2 will be based on the exchange rate at the point of transfer of funds to JKH from the Inward Investment Account of ADB.

Option Exercise Price: This would be based on the volume weighted average price ("VWAP") of the Company's ordinary shares as quoted on the CSE during the 90 calendar days ending immediately prior to the Option exercise date, subject to the Floor Price and Cap Price as outlined below.

The above is subject to a minimum Option Exercise Price of LKR 165 per share ("Floor Price"), to ensure the further issuance of shares (in the event the Options are exercised) is at a premium to the initial Issue Price of LKR 154.50 per share in Phase 1.

The Option Exercise Price is also subject to a maximum exercise price of LKR 200 per share ("Cap Price").

Table 4 illustrates how the pricing methodology will work under various scenarios.

Table 4

	Illustration 1	Illustration 2	Illustration 3
Floor Price	165.00	165.00	165.00
Cap Price	200.00	200.00	200.00
VWAP	150.00	180.00	210.00
Exercise Price (Bound by the Floor Price and the Cap Price)	165.00	180.00	200.00

Option Shares: Each Option issued under Phase 1 will entitle ADB upon exercise of the Option to 1 (one) Option Share (one ordinary share of the Company).

The number of Option Shares subscribed for by ADB will be dependent on the number of Options exercised, the prevailing exchange rate at the time of exercising the Options and the Option Exercise Price.

Table 5 in the ensuing section illustrates further on the scenarios depicted under Tables 2 and 3, which showcases the possible outcomes in terms of the number of Option Shares that may be issued during Phase 2, based on assumptions of various exchange rates.

The illustration for each scenario considers the outcome where the Exercise Price is either the minimum or maximum Exercise Price of LKR 165 (Floor Price) and LKR 200 (Cap Price), respectively, for purposes of comparison.

Protection against Corporate Actions: The number of Options (and/or the Option Exercise Price with respect to the underlying Options) shall automatically be subject to adjustment in the event of the Company:

- declaring a dividend payable in shares;
- subdividing its ordinary shares through stock split or otherwise;
- consolidating its ordinary shares into a smaller number of ordinary shares;
- making any rights issue;
- repurchasing its ordinary shares.

For avoidance of doubt, no adjustment would be made in the following circumstances:

- Issue of shares or other securities as consideration for an acquisition by the Company;
- A private placement or a restricted issue of new shares or other securities;
- Issue of shares under an Employee Share Option Scheme;
- Issue of any instrument convertible to shares or other securities and conversion to shares or securities pursuant to issue of any convertible securities.

Such adjustment shall be determined in good faith by the Board of Directors so that ADB shall be entitled to receive the number of revised Options of the Company which ADB would have owned or have been entitled to receive after the happening of any of the events described above, had the Option been exercised immediately prior to the happening of such event or any effective date with respect thereto, in terms of the applicable laws and regulations, provided in any event that the Issue Size (maximum ADB investment amount) will not change. For the avoidance of doubt, this may require an adjustment to the maximum number of ordinary shares to be issued under the Proposed Private Placement, although the maximum post-issue dilution of 8.5 per cent will remain the same.

Proposed Private Placement - Composite of Phase 1 and Phase 2

Total Placement Shares: Up to a maximum of 122,500,000 new fully paid ordinary shares to be issued by the Company under Phase 1 and Phase 2, collectively.

The ensuing Table 5 consolidates Tables 2, 3 and 4 to give a composite illustration under different scenarios with varying assumptions on the exchange rate for each of the phases and the exercise price of the option.

Table 5

	Scenario A - 1		Scenario A - 2		Scenario B	
Phase 1						
LKR/USD exchange rate as at the date of subscription	202.192 <i>As at 19 November 2021</i>				235.00	
No of Initial Placement Shares issued to ADB	65,434,304				76,051,780	
Post-issue dilution in Phase 1*	4.7%				5.4%	
No. of Options issued with the Initial Placement Shares (based on a ratio of 5:3, subject to a maximum number of shares of 122,500,000)	39,260,583				45,631,068	
Phase 2 - Exercise of Options (Issue of Option Shares)**						
LKR/USD exchange rate as at the date of exercise	202.192		233.00		247.00	
LKR value of the Issue Size (Rs. Million)	6,066		6,990		7,410	
Exercise Price***	165 <i>Floor</i>	200 <i>Cap</i>	165 <i>Floor</i>	200 <i>Cap</i>	165 <i>Floor</i>	200 <i>Cap</i>
No of Options held with ADB [C]	39,260,583	39,260,583	39,260,583	39,260,583	45,631,068	45,631,068
Maximum number of Options that can be converted for USD 30 million [D]	36,762,182	30,328,800	42,363,636	34,950,000	44,909,091	37,050,000
No of Options that can be exercised by ADB (Lower of [C] and [D])	36,762,182	30,328,800	39,260,583	34,950,000	44,909,091	37,050,000
Post-issue dilution in Phase 2 (Option Shares)	2.6%	2.1%	2.8%	2.5%	3.1%	2.6%
Aggregate impact of both phases						
Ordinary Shares as at 26 November 2021	1,319,776,451	1,319,776,451	1,319,776,451	1,319,776,451	1,319,776,451	1,319,776,451
Number of Shares with ADB under the scenario	102,196,486	95,763,104	104,694,887	100,384,304	120,960,871	113,101,780
Total no of shares in circulation	1,421,972,937	1,415,539,555	1,424,471,338	1,420,160,755	1,440,737,322	1,432,878,231
Overall Post-issue dilution*	7.2%	6.8%	7.3%	7.1%	8.4%	7.9%

Notes:

*The issue of Option Shares has a dilutive impact on ADB's shareholding of the Initial Placement Shares.

** Exercise of the Options is at ADB's option and discretion.

***Under each of the scenarios, the implications from the possibility of varying Exercise Prices have been derived under the Floor Price and the Cap Price in order to illustrate the ADB shareholding under that particular scenario.

Maximum Dilution: Up to a maximum of 8.5 per cent of the post-dilution shares.

The flexibility to issue shares up to the above extent is required since the Company wishes to maximise its ability to receive the full USD 80 million committed by ADB, in USD terms, since the transaction is priced in LKR and is subject to exchange rate movements. While the actual number of shares issued will vary depending on such exchange rates, the number of Options exercised by ADB and the Option Exercise Price in Phase 2, the Company has, as stated above, placed a cap on the maximum number of new shares to be issued, wherein, existing shareholders would be aware of the potential maximum dilution.

Ranking: Both Initial Placement Shares and Option Shares will rank pari passu in all respects with the then existing issued shares in the capital of the Company.

Public holding: The public holding percentage of the Company is 98.83 per cent as at 26 November 2021. The public holding percentage post the Proposed Private Placement assuming the maximum issue of shares under both phases (122,500,000) is 98.93 per cent. The public holding percentage post the Proposed Private Placement includes the maximum potential shareholding by ADB.

Stated Capital: The stated capital and number of ordinary shares in circulation of the Company as at 26 November 2021 is Rs. 63,121,732,310.83 and 1,319,776,451 ordinary shares, respectively. The stated capital post the Proposed Private Placement will be dependent on the exchange rate prevailing at the time of each subscription, the number of Options exercised and the Exercise Price of the Options.

C. PURPOSE OF THE ISSUE

The penetration of modern trade (supermarkets), in Sri Lanka continues to be comparatively low in comparison to global and regional peers, demonstrating the significant potential in these industry groups. Given the relatively higher penetration within urban areas, the Group envisages that growth from the outskirts of the country to be a significant contributor to its medium to long-term growth, despite being off a lower base.

The Group will capitalise on this opportunity by investing further in its supply chain and augmenting its portfolio of offerings in line with evolving trends. Accordingly, the proceeds from this transaction will be utilised for the purpose of corporate level balance sheet support towards funding its investments in the "Keells" Supermarket business which includes the long-term outlet expansion plan including construction and equipment, start-up expenses and the construction and equipping of the supporting logistics infrastructure to facilitate this. The key challenges faced in the expansion of the Supermarket business include securing leases of land plots in prime locations which are in conformity with brand specifications and staff retention.

The Proposed Private Placement will afford the Group the flexibility and agility to fund its investments in an optimal manner, whilst providing additional support to the Group's liquidity position, particularly in terms of providing further leeway to manage the foreign currency commitments of the Group's landmark projects such as the 'Cinnamon Life' integrated resort and the West Container Terminal in the Port of Colombo.

Given ADB's investment mandate pursuant to which private sector projects must have clear development impacts and positive externalities, particularly in environmental, social and governance ("ESG") aspects, JKH will leverage on ADB's technical expertise and advisory to enhance the Group's existing ESG processes and frameworks to reach best in class benchmarks. While the Company has undertaken many initiatives in this regard, it believes the involvement of a strategic partner such as ADB will significantly augment the current initiatives across the Group and enable a rapid scale up given its strong expertise and experience in this area.

The transaction will be structured in a manner whereby fund utilisation is tracked against the capital expenditure incurred by the Supermarket business up to 31 December 2026 (which includes the long-term outlet expansion plan including construction and equipment, start-up expenses and the construction and equipping of the supporting logistics infrastructure). This takes into consideration the fact that funding can take multiple forms including retention of funds at the operating company level which enables such investments.

Given the nature of the Supermarket business and the current market opportunity which showcases even greater potential, the Company does not foresee any deviations from its objectives or delays in its capital expenditure plan during the time frames stipulated.

The required approvals for the outlet expansions will be obtained as and when required since it is needed for each specific location where any impediments in obtaining these approvals are not anticipated.

INVESTMENT RATIONALE

After due consideration of the various options available for the Company to strengthen its balance sheet, the Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds for the Company at this juncture, and is beneficial to both the Company and its Shareholders, given that:

- a. the Proposed Private Placement will improve the liquidity and financial flexibility of the Company, with a positive impact on the leverage levels of the Company and no associated finance related expenses unlike in the case of a debt capital raising.
- b. as outlined above, this will also facilitate the Group to fund its investment pipeline in the Supermarket business and related infrastructure and create further leeway in its balance sheet and liquidity to manage its foreign currency commitments in relation to the completion of the 'Cinnamon Life' integrated resort and the West Container Terminal in the Port of Colombo.
- c. partnering with a strategic investor such as ADB, an internationally reputed financial institution, particularly in this challenging macro environment as a result of the pandemic, will be a significant vote of confidence for JKH and the country at large. This is expected to improve overall investor confidence and in the capital market, including the JKH share.
- d. the Company will also be able to leverage on the technical expertise of ADB on ESG aspects which will contribute to further strengthening the Group's sustainability and governance framework to international standards which is a strategic priority for the Company.

D. INTRODUCTION TO THE INVESTOR

The Asian Development Bank (ADB) is an international funding organisation which is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. It was founded in 1966 and is based in Manila, Philippines. ADB's non-sovereign operations focus on projects that help promote private investments in the region that will have significant development impact and will lead to accelerated, sustainable, and inclusive growth.

With an expanding private sector programme, diversifying investments and clients in the infrastructure, financial and agribusiness sectors, ADB requires all its investees to commit to ensuring the investments' social and environmental sustainability. ADB maximises the development impact of its assistance by facilitating policy dialogues, providing advisory services, and mobilising financial resources through co-financing operations. The above strongly complements the Group's conscious efforts to adopt its strategies, initiatives, and targets in line with the Sustainable Development Goals (SDG's) of the United Nations, by leveraging on the technical assistance that ADB is able to provide to further enhance the Group's sustainable growth strategy.

As of the date of this circular, ADB had 68 members, of which 49 are from the Asia and Pacific region. We believe that partnering with an internationally reputed financial institution such as ADB, particularly in this challenging macro environment as a result of the pandemic, will be a significant vote of confidence for JKH and the country at large, including improving overall investor confidence and the capital market.

ADB is eligible to invest in listed entities in Sri Lanka and will have obtained all applicable authorisations, prior to the proposed investment. ADB currently does not hold any Ordinary Shares of the Company. The maximum post-issue shareholding of ADB will be 8.5 per cent. The proposed Private Placement does not entitle ADB to nominate a director to the Board of the Company.

E. GENERAL

1. The Board, having considered all the factors relating to the Proposed Private Placement, the interests of the existing shareholders as well as the Company, has resolved that the terms and conditions of the Proposed Private Placement are fair and reasonable to the Company and for all its existing shareholders, including with respect to the Companies Act No. 07 of 2007 (the "Companies Act"). The Board, therefore, recommends that existing shareholders of the Company vote in favour of the resolution to issue Placement Shares.
2. The resultant outcomes/impact arising from the Issue will be disclosed in terms of the overall capital and working capital expenditure incurred by the business and the related development impacts, as applicable, in the Annual Report and the Interim Financial Statements of the Company and the Group.
3. The Initial Placement Shares and the Option Shares (upon issuance) will be freely transferrable and shall not be subject to any lock-in period.
4. The subscription is subject to the fulfillment of a standard list of conditions that need to be satisfied prior to the issue of the Initial Placement Shares (Conditions Precedent) as agreed with the Investor. Conditions Precedent are primarily in relation to obtaining the requisite Shareholder approval by means of a special resolution at an EGM, ADB Board approval, and conformance with applicable regulatory requirements applicable to the parties.
5. Pursuant to the receipt of the requisite approvals, the Company will enter into a Subscription and Investor Rights Agreement with ADB, in view of further augmenting the Group's initiatives on ESG aspects, given ADB's strong expertise and experience in this area.

F. EXTRAORDINARY GENERAL MEETING

1. The Proposed Private Placement, which has been recommended herein, is subject to the required special resolution being passed by the Shareholders. An Extraordinary General Meeting, therefore, is being convened in accordance with the Notice of Meeting attached hereto, for the purpose of passing the resolution set out herein.
2. Shareholders who are unable to attend the meeting in person are requested to complete the enclosed Form of Proxy (in accordance with the instructions specified herein) and deposit it at the registered office not less than 48 hours before the time appointed for the meeting.

G. DECLARATIONS

1. In-principle approval has been obtained from the Colombo Stock Exchange for the issue and listing of the Initial Placement Shares and the Option Shares under Rule 5.4 of the CSE Listing Rules, subject to Shareholder approval.
2. Approval has been obtained from the Securities and Exchange Commission of Sri Lanka as per Section 81 of the SEC Act No. 19 of 2021 for the issue of the Options.
3. The Issue of the Placement Shares is also subject to ADB Board approval, and conformance with applicable regulatory requirements applicable to the parties.
4. In the event the requisite resolutions approving the Proposed Private Placement are passed by the Shareholders of the Company, the Initial Placement Shares upon allotment will be directly uploaded to

the accounts of the Central Depository System (CDS) maintained by ADB on the date of issue of the Initial Placement Shares, following which the Company will submit a Declaration to the CSE as per Section 5.4 (g) of the CSE Listing Rules to facilitate the listing of the Placement Shares on the CSE.

5. In the event ADB exercises the Options to subscribe for further shares in the Company, the Option Shares, upon allotment, will be directly uploaded to the accounts of the Central Depository System (CDS) maintained by ADB on the date of issue of the Option Shares. Following this, the Company will submit a Declaration to the CSE as per Section 5.4 (g) of the CSE Listing Rules to facilitate the listing of the Option Shares on the CSE.
6. Investment made by ADB will be made only through their Inward Investment Account (IIA).
7. The listing of the ordinary shares by the Colombo Stock Exchange will in no way be reflective of the merits of the issue. The Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka assume no responsibility for the correctness of any statement made, opinions expressed, or reports included herein.
8. This transaction will not be classified as a major transaction as defined in Section 185 of the Companies Act.
9. The Proposed Private Placement will not trigger any actions required under the Take-overs and Mergers Code 1995 (Amended 2003).
10. The Company confirms that no other approval is required for the Proposed Private Placement other than the approvals stated in this Circular. The Company has also complied with all applicable laws and regulations relating to the issuance of Placement Shares.
11. The Company affirms that the subscribers to the Issue are not related parties to the Company or any of its subsidiaries or equity accounted investees.
12. The Directors of John Keells Holdings PLC individually and collectively accept full responsibility for the accuracy of the information given, and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no other facts, the omission of which would render any statement in the circular misleading.
13. The Directors of John Keells Holdings PLC, individually and collectively, confirm that the funds raised through the Proposed Private Placement will only be utilised to achieve the proposed objectives and in line with the use of proceeds outlined above. If there are any changes to the above-mentioned objectives due to a change in circumstances, Shareholder approval would be sought prior to effecting such changes subsequent to making the required announcements to the CSE.

By Order of the Board
JOHN KEELLS HOLDINGS PLC
Keells Consultants (Private) Limited



Secretaries

JOHN KEELLS HOLDINGS PLC

(Company No PQ 14)

117 Sir Chittampalam A. Gardiner Mawatha, Colombo 2

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of John Keells Holdings PLC will be held as a virtual meeting on 22 December 2021 at 10:00 a.m. for the purpose of considering and if thought fit passing the following Resolution:

SPECIAL RESOLUTION – PROPOSED PRIVATE PLACEMENT FOR THE SRI LANKAN RUPEE (LKR) EQUIVALENT OF USD 80 MILLION AMOUNTING UP TO A MAXIMUM OF 122,500,000 NEW ORDINARY SHARES TO ASIAN DEVELOPMENT BANK

“IT IS HEREBY RESOLVED THAT

A. The Company issue to Asian Development Bank (“ADB”) up to a maximum of 122,500,000 new ordinary shares of the Company in two phases, comprising a maximum post-issue dilution of 8.5% in the following manner:

- a) PHASE 1: The issue of such number of ordinary shares (“Phase 1 Shares”) arrived at by dividing the LKR equivalent of USD 50 million based on the exchange rate at the point of transfer of funds to JKH, by LKR 154.50 per share (the closing market price as at 19 November 2021), which is the last closing share price prior to the announcement of the Proposed Private Placement to the Colombo Stock Exchange (“CSE”). Each share so issued shall rank equal and pari passu in all respects with the existing ordinary shares of the Company.
- b) PHASE 2: Subject to completion of subscription in Phase 1, ADB will be entitled to 3 (three) options (“Options”) for every 5 (five) Shares issued in Phase 1. The total number of Options, and, thereby ordinary shares, would however be capped such that the totality of the Phase 1 Shares and Options, if exercised, would not exceed 122,500,000 new ordinary shares of the Company, which is equivalent to a maximum post-issue dilution of 8.5%. Each Option would entitle ADB to subscribe for 1 (one) Ordinary Share under Phase 2 (“Phase 2 Shares”) of the proposed Private Placement, subject to a maximum LKR investment equivalent of USD 30 million. Each ordinary share issued upon exercise of an Option shall rank equal and pari passu in all respects with the existing ordinary shares of the Company,

noting that the Board has considered the best interests of the Company and the existing shareholders and is of the opinion that the price and method of pricing of Phase 1 and 2 of the Proposed Private Placement are fair and reasonable to the Company and its existing shareholders.

B. The Options will be exercisable during the 3-month window post the completion of 9 months from the date of subscription under Phase 1 and will expire 12 months from the date of subscription under Phase 1. The price at which the Options are exercised would be based on the volume weighted average price (“VWAP”) of the Company’s ordinary shares as quoted on the CSE during the 90 calendar days ending immediately prior to the Option exercise date. This is subject to a minimum Option exercise price of LKR 165 per share, to ensure that the further issuance of shares, in the event the Options are exercised, is at a premium to the initial issue price of LKR 154.50 per share in Phase 1. The Option exercise price is also subject to a maximum of LKR 200 per share.

- C. The number of Options (and/or the Option Exercise Price with respect to the underlying Options) shall automatically be subject to adjustment in the event of a Corporate Action by the Company, which shall be determined in good faith by the Board of Directors.”

By Order of the Board
JOHN KEELLS HOLDINGS PLC
Keells Consultants (Private) Limited



Secretaries
29 November 2021

Notes:

- i. A Member unable to attend is entitled to appoint a Proxy to attend and vote in his/her place.
- ii. A Proxy need not be a member of the Company.
- iii. A Member wishing to vote by Proxy at the Meeting may use the Form of Proxy enclosed herein.
- iv. Members 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 resolution to be taken up at the Meeting in the Form of Proxy.
- v. In order to be valid, the completed Form of Proxy must be lodged at the Registered Office of the Company not less than 48 hours before the Meeting.
- vi. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or corporate representatives. In the event an individual Member and his/her Proxyholder are both present at the Meeting, only the Member's vote is counted. If the Proxyholder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.
- vii. Instructions as to attending the virtual meeting are attached.

This page is intentionally left blank.

FORM OF PROXY – EXTRAORDINARY GENERAL MEETING

I/Weof
.....being a
member/s of John Keells Holdings PLC hereby appoint
of.....or failing him/her

MR. KRISHAN NIRAJ JAYASEKARA BALENDRA or failing him
MR. JOSEPH GIHAN ADISHA COORAY or failing him
MR. MOHAMED ASHROFF OMAR or failing him
MR. DAMIEN AMAL CABRAAL or failing him
MR. ANTHONY NIHAL FONSEKA or failing him
MS. MARIE PREMILA PERERA or failing her
DR. SHRIDHIR SARIPUTTA HANSA WIJAYASURIYA

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 22 December 2021 at 10:00 a.m. 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:

PROPOSED PRIVATE PLACEMENT FOR THE SRI LANKAN RUPEE EQUIVALENT
OF USD 80 MILLION AMOUNTING UP TO A MAXIMUM OF 122,500,000 NEW
ORDINARY SHARES TO ASIAN DEVELOPMENT BANK

FOR

AGAINST

Signed on this day of Two Thousand and Twenty One.

.....
Signature/s of Shareholder/s

NOTE: INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY ARE NOTED ON THE REVERSE.

INSTRUCTIONS AS TO COMPLETION OF PROXY

1. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.
2. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, or forwarded by fax to +94 11 243 9037, or e-mailed to ***keellsconsultants@keells.com*** no later than 48 hours before the time appointed for the convening of the Meeting.
3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
4. If the appointor is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.
5. If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise his/her discretion as to how he/she votes or, whether or not he/she abstains from voting.

Please fill in the following details:

Name :

Address :

.....

.....

Jointly with :

Share Folio No. :

NIC No., as applicable :

INSTRUCTIONS FOR REGISTRATION AND PARTICIPATION AT THE VIRTUAL EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD THROUGH AUDIO/VISUAL MEANS ON 22 DECEMBER 2021

Dear Shareholder,

The Board of Directors of the Company, having taken into consideration the health and safety guidelines issued by the authorities in view of the COVID-19 pandemic, the guidelines issued by Colombo Stock Exchange (“CSE”) on convening virtual shareholder meetings through audio/visual means and in conformity with the regulatory provisions of the Articles of Associations of the Company, have decided to hold the Extraordinary General Meeting (“EGM”) of the Company as a virtual meeting through audio/visual means using an online platform in the manner set forth below.

1. Shareholders who wish to participate in the EGM through the online platform are required to complete and forward the “Shareholder/Proxyholder Registration Form” enclosed within this document together with a copy of the National Identity Card or Passport of the Shareholder/Proxyholder (if a Proxy is appointed) by registered post to the Registered Office of the Company, by email to ***keellsconsultants@keells.com*** or by fax to +94 11 243 9037, not less than 48 hours before the convening of the EGM. Shareholders are required to mandatorily provide their email address (or the email address of the Proxyholder) in the space provided in the Registration Form in order to forward the weblink, if they wish to participate in the EGM through the online platform. The registered Shareholders/Proxyholders are requested to join the EGM only on the digital platform through the weblink sent by the Company.
2. Shareholders who wish to submit proxies can duly complete the proxies as per the instructions given on the reverse of the Form of Proxy and send the same by registered post to the Registered Office of the Company or forward it by fax to +94 11 243 9037 or email to ***keellsconsultants@keells.com*** not less than 48 hours before the convening of the EGM.
3. Shareholders who wish to appoint a member of the Board of Directors as his/her Proxy to represent them at the EGM, may do so by completing the Form of Proxy with their voting preferences marked against the resolution to be taken up at the EGM.
4. It is recommended that Shareholders/Proxyholders join the EGM at least fifteen (15) minutes before the start of the EGM. The digital platform will be active thirty (30) minutes before the start of the EGM.
5. Voting on items listed on the Agenda will be registered by using an online platform. Shareholders/Proxyholders will be briefed on the procedure for voting prior to the commencement of the EGM.

6. All Shareholders/Proxyholders speaking at the EGM to vote, seek clarification or make a comment relevant to the EGM are required to identify themselves when speaking at the EGM.
7. Any Shareholder can forward his/her queries and clarifications relevant to the EGM, by registered post to the Registered Office of the Company, email to ***keellsconsultants@keells.com*** or forward it by fax to +94 11 243 9037 not less than three (3) days before the convening of the EGM. Responses in respect of such queries and clarifications may be made before or during the course of the EGM.
8. The date fixed for the EGM will not be affected even if a public holiday or a curfew is declared on this date, as the EGM will be held virtually. In the event any further action is required to be taken by the Company in relation to the EGM, notification of such change would be by way of an announcement to the CSE.

By Order of the Board
JOHN KEELLS HOLDINGS PLC
Keells Consultants (Private) Limited



Secretaries
29 November 2021

SHAREHOLDER/PROXYHOLDER REGISTRATION FORM

EXTRAORDINARY GENERAL MEETING

PROPOSED PRIVATE PLACEMENT FOR THE SRI LANKAN RUPEE EQUIVALENT OF USD 80 MILLION AMOUNTING UP TO A MAXIMUM OF 122,500,000 NEW ORDINARY SHARES TO ASIAN DEVELOPMENT BANK

To: John Keells Holdings PLC
117 Sir Chittampalam A. Gardiner Mawatha,
Colombo 2.

Full Name of the Shareholder:.....

Shareholder's Address:.....

Shareholder's NIC No./Passport No./Company Registration No.:.....

Shareholder's Contact Nos: Residence:..... Mobile:.....

Shareholder's Email Address:.....

IF PROXY IS APPOINTED

Full Name of Proxyholder:.....

Proxyholder's NIC No./Passport No.:.....

Telephone Number: Residence:..... Mobile:.....

Email Address:.....

.....

.....

Shareholder's Signature

Date

Notes:

- Please perfect the Shareholder/Proxyholder Registration Form by filling in legibly your full name, address, email, contact number, signing in the space provided and filling in the date of signature.
- If the Registration Form is signed by an Attorney, the relevant Power of Attorney should accompany the completed Registration Form, if such Power of Attorney has not already been registered with the Company.
- If the Shareholder is a company or corporation, the Form should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.