



Blantyre Hotels Plc

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

Public Announcement to Blantyre Hotels Plc Shareholders and Investors (Pursuant to the MSE Listings Requirements)

BHL is announcing that it is proposing to raise approximately K62.4 billion by way of a partially underwritten renounceable Rights Offer of 5,038,504,230 new ordinary shares (the "Rights Shares") at the price of K12.38 per Rights Share (the "Issue Price") on the basis of 6 Rights Shares for 1 existing ordinary share. The Issue Price represents a discount of 8.3% on the market price of BHL shares traded on the Malawi Stock Exchange (the "MSE") on Friday, 27 September 2024.

Background to the Rights Offer

On 6 September 2024, the Board of Directors resolved to recommend to Shareholders that the Company raises K62.4 billion or thereabouts through an offer of up to 7,000,000,000 Rights Shares to its existing shareholders (the "Shareholders") for subscription at a ratio of such number of Rights Shares for 1 existing ordinary share at such price as the Directors may determine, payable in full on acceptance. At the Company's Extraordinary General Meeting held on 10 October 2024, the Shareholders approved the Rights Offer.

Reasons for the Rights Offer

BHL is developing a new four-star hotel in Lilongwe, Malawi (the "Project"). The hotel, expected to open in January 2026, will be operated under the Protea Hotels brand by the Marriott brand, 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 K88,665,000,000.00 is required. Out of the K88,665,000,000.00, about K26,265,000,000.00 will be raised through foreign currency-denominated debt to ensure that the importation of construction materials is not hampered. This leaves the balance of K62,400,000,000.00 to be raised otherwise. BHL, as the sponsor of the SPV and the Project, has undertaken to raise the funding shortfall of K62,400,000,000.00 to minimize completion risk, hence the Rights Offer.

Use of proceeds

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, and procurement of furniture, fixtures, and equipment.

Timing of the Rights Offer

Application will be made to the MSE for the rights to acquire the Rights Shares (nil paid) (the "Nil Paid Rights") and the rights to acquire the Rights Shares (fully paid) (the "Fully Paid Rights") to be admitted to listing on the MSE's official list and admitted to trading on the MSE. Shareholders of the Company recorded as such in the share register of the Company at the close of trade on Friday, 25 October 2024, will qualify to participate in the Rights Offer. It is expected that the offer period for the Rights Shares will open on 28 October 2024, and dealings in the Nil Paid Rights and Fully Paid Rights on the MSE will commence on the same date. It is intended for the offer period to close on 22 November 2024 and for the conversion/uploading of converted Rights Shares into the CSD duly subscribed for and fully paid to be issued and dispatched by 28 November 2024. It is expected that the Rights Shares will be listed, and dealings in the Rights Shares on the MSE will commence on 2 December 2024. These aforementioned dates are subject to amendment, and any changes will be published in the press.

Further announcement

The last day to register for the rights offer is on Friday, 25 October 2024. A further announcement will be made in due course, setting out the important dates and times in respect of the Rights Offer.

Dated the 11th 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 with respect to 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 expressions, 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.