

CIRCULAR TO THE SHAREHOLDERS - EXTRAORDINARY GENERAL MEETING

Dear Shareholders,

INCREASE IN THE STATED CAPITAL AND AMENDMENT TO THE ARTICLES OF ASSOCIATION

- Increase in the Stated Capital to allot shares to the GOSL to the value of LKR 5 Billion received

The Government of Sri Lanka (“GOSL”) in terms of the equity infusion plan approved by the Cabinet of Ministers on 18th March 2024 (Cabinet Paper No. 24/0551/604/054-I) has infused additional equity capital to SriLankan Airlines Limited with a view to transfer of selected SriLankan Airlines Limited Debt to the Government of Sri Lanka, the investment value of which is LKR 5 Billion. Accordingly, the Company is now required to issue new shares to the GOSL to the value of the transaction in recognition of this investment. For this purpose, it is deemed necessary to increase the stated capital of the Company from LKR 198,860,665,500 to LKR 203,860,665,500 by the creation of 50 million new ordinary shares at a consideration of LKR 100/- per share.

The Ministry of Finance has accepted the negotiated price of LKR 100/- per share after having explained the negative worth of the Airline.

Section 53 of the Companies Act read with Article 9 of the Articles of Association of the Company does not grant a pre-emptive right to the existing shareholders in respect of a share issue, such as the issue under consideration. As such, the Company is permitted to allot shares to the GoSL to represent the fair value of the Transaction amounting to LKR 5 Billion by the GOSL.

The Board of Directors in terms of the provisions of section 52 of the Companies Act No. 7 of 2007 have resolved that the shares to the GOSL shall be issued at a consideration of LKR 100/- per share and that in the opinion of the Directors such consideration is fair and reasonable to the Company and to all existing shareholders.

Post issue of the new ordinary shares, the Shareholding of the Company would be as follows,

	No. of Shares	Percentage
Government of Sri Lanka	2,034,006,469	99.77%
Employees Provident Fund	1,863,676	0.09%
Peoples Bank	1	0.00%
Others	2,736,509	0.13%

2. Amendment to the Articles of Association to recognize electronic communication

Due to several extraneous circumstances including the Covid Pandemic and the economic and political climate in Sri Lanka thereafter, the Company held its Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) virtually/hybrid after having obtained Shareholder approval to amend the Articles of Association of the Company in accordance with the PED Circular No.04/2022 on "Expenditure Management and Business Sustainability of Commercial Corporations, Statutory Boards and Government Owned Companies", since the year 2022.

To overcome administrative difficulties of holding general meetings, both in terms of time and cost, the Board of Directors would like to propose amendments to the interpretation of the words 'In writing' or 'Written, 'Member' and 'Shareholder' in the Articles of Association in the Company and substitute the existing Articles 52, 54 and 155-161 of the Articles of Association with that detailed in the Notice of Meeting.

Accordingly, the Board of Directors have decided to convene a virtual **Extraordinary General Meeting** (EGM) of the Company on **Tuesday, 25th June 2024 at 3.00 pm** emanating from the Board Room of SriLankan Airlines Limited to consider and if deemed fit to pass the Ordinary Resolution and the Special Resolution as set out in the Notice of Meeting enclosed herewith.

Virtual Meeting

All the shareholders are welcome to participate via online the Extraordinary General meeting. You are kindly requested to complete and return the Registration Form to reach the Registered Office of the Company, SriLankan Airlines Limited, Airline Centre, Bandaranaike International Airport, Katunayake or forwarded by email to comsec@srilankan.com by fax on (+94)-197335112 in order to enable the Company to receive the same not less than forty eight (48) hours prior to the time appointed for the holding of the EGM.

The Form of Proxy and the Registration Form are also available on www.srilankan.com

The login information will be authorised only for the use by individual shareholders, proxy holders and authorised representatives in case of institutional shareholders and the Company will not be responsible or liable for misuse. Where the proxy holders are concerned please note that the login information will only be shared with those in whose favour a valid proxy has been submitted by the shareholder.

Shareholders who are unable to participate at the meeting are encouraged to appoint a Director as their proxy, having marked their preferences in respect of the agenda items.

Shareholders can send in their queries, if any, to Company Secretary's Office, SriLankan Airlines Limited, Airline Centre, Bandaranaike International Airport, Katunayake or to comsec@srilankan.com not less than three (03) days before the date of the Meeting, in order to enable the Company Secretary sufficient time to compile and forward same for the attention of the Board of Directors so that same could be addressed at the meeting.

**By Order of the Board of,
SriLankan Airlines Limited**



**Mrs. Dalrene Thirukumar
Group Head of Corporate Secretarial Services/Company Secretary**

17th May 2024