

## **CANWILL HOLDINGS (PVT) LTD DIVESTITURE**

### **Pre-EOI Meeting Minutes**

November 09, 2023

#### **TO ALL INTERESTED PARTIES:**

These clarifications are being issued by the Government of Sri Lanka through the Ministry of Finance, Economic Stabilization and National Policies, State Owned Enterprises Restructuring Unit in relation to the Request for Expression of Interest (“**REOI**”) dated October 26,2023 to provide clarifications to the queries raised by Interested Parties in relation to the REOI, which are set out in Annex A herein.

All other terms and conditions set out in the REOI, not specifically referred to in Annex A, shall remain unchanged and unaffected.

Capitalized terms unless otherwise defined herein shall have the meaning set forth in the REOI.

## ANNEX A

The following clarifications are being issued in response to the queries sought by the Interested Parties.

S. No.	Query	Clarifications
1.	What percentage of shareholding is being offered for divestiture?	GoSL intends to offer all or a majority stake held in Canwill Holdings (Pvt) Ltd (“Canwill”) directly or indirectly. Please refer Clause 2 (d) of the REOI. Currently, the shareholding being offered for divestiture is ~75% (held by Sri Lanka Insurance Corporation Limited and Litro Gas Lanka Limited).
2.	Who are the major shareholders of Canwill?	Please see response to query no. 1 above.
3.	What are the details of the assets of Canwill.	Please refer page 14 and 19 of Investment Opportunity document available at below URL for details <a href="https://www.treasury.gov.lk/api/file/4954e9f1-64bb-416b-a8b4-4762e4194818">https://www.treasury.gov.lk/api/file/4954e9f1-64bb-416b-a8b4-4762e4194818</a>  Further confidential information would be accessible within the data room to Prequalified Bidders subject to execution of a Non-disclosure Agreement.
4.	Please provide details on the validity of the agreements executed with Hyatt.	Other than the information provided in the Investment Opportunity document for Canwill, all information pertaining to the above is confidential. Pre-Qualified Bidders will have the opportunity to conduct due diligence on Canwill at RFP Stage. Confidential information would be accessible within the data room to Prequalified Bidders subject to execution of a Non-disclosure Agreement.
5.	Please provide details of litigation with the interior designer of the company.	
6.	Does the company have any ongoing litigations?	
7.	What is the total outstanding debt of the company.	
8.	Are there any financial defaults by the company.	
9.	Is there any public repository from which the financial statements of the company can be found out?	Historical Financial Statements of Canwill are available at:  <a href="http://auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?keywords=canwill&amp;years=&amp;audit_types=&amp;sector=&amp;task=pdfdoc&amp;option=com_pdfdoc">http://auditorgeneral.gov.lk/web/index.php/en/component/pdfdoc/?keywords=canwill&amp;years=&amp;audit_types=&amp;sector=&amp;task=pdfdoc&amp;option=com_pdfdoc</a>  Private companies are not required to file financial statements with the Registrar of Companies where they will be available publicly.

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		Further confidential information would be accessible within the data room to Prequalified Bidders subject to execution of a a Non-disclosure Agreement.
10.	Can Sinolanka and Helanco be carved out from the divestiture of Canwill?	Please refer to Clause 2(d) of the REOI. If EOIs from IPs are received for any subsidiary of Canwill separately, GOSL reserves the right to consider such EOIs suitably.  Please access the REOI at below link; <a href="https://www.treasury.gov.lk/api/file/eef48bae-6185-4353-9da7-1caf0a813413">https://www.treasury.gov.lk/api/file/eef48bae-6185-4353-9da7-1caf0a813413</a>
11.	If the IP is held by a promoter group entity, then the ultimate beneficial owner will be the promoter group entity or the natural persons holding the ultimate beneficial interest?	Please refer to the definition of ‘Ultimate Beneficial Owner’ as per the REOI document. It means the natural person who ultimately owns or Controls an IP irrespective of legal ownership, and/or the natural person on whose behalf the Proposed Transaction is conducted.  Please access the REOI at below link; <a href="https://www.treasury.gov.lk/api/file/eef48bae-6185-4353-9da7-1caf0a813413">https://www.treasury.gov.lk/api/file/eef48bae-6185-4353-9da7-1caf0a813413</a>
12.	Can IP submit an EOI at this stage in its individual capacity and then subsequently form a consortium?	Please refer to Clause 14 of the REOI. Change in composition of a Pre-Qualified Bidder is not permitted except with prior approval of GOSL.  Please access the REOI at below link; <a href="https://www.treasury.gov.lk/api/file/eef48bae-6185-4353-9da7-1caf0a813413">https://www.treasury.gov.lk/api/file/eef48bae-6185-4353-9da7-1caf0a813413</a>
13.	If an IP is participating in its individual capacity, then in Annexure – I (Letter comprising the Expression of Interest), the statements related to consortium be deleted completely or should be struck off?	The statements related to consortium can be stricken off. Please refer footnote on page 26 of the REOI.  Please access the REOI at below link; <a href="https://www.treasury.gov.lk/api/file/eef48bae-6185-4353-9da7-1caf0a813413">https://www.treasury.gov.lk/api/file/eef48bae-6185-4353-9da7-1caf0a813413</a>
14.	Whether the checklist mentioned in Annexure VI is required to be executed on the letter head of the IP or on blank paper.	All annexures are required to be executed on the letterhead of the IP.
15.	Whether the serviced apartments in the Grand Hyatt project be sold outright as per the existing laws of Sri Lank?	Pre-Qualified Bidders will have the opportunity to conduct due diligence on Canwill at RFP Stage. The relevant information of Canwill will

S. No.	Query	Clarifications
		be shared with Pre-Qualified Bidders subject to execution of a Non-Disclosure Agreement.
16.	Whether the Pre-Qualified Bidders will be announced on 12 <sup>th</sup> December 2023?	<p>GOSL shall endeavor on a best-efforts basis to announce the Pre-Qualified Bidders on 12 December 2023. However, please note that GoSL reserves the right to modify any timeline. Any change in timelines will be intimated to the IPs.</p> <p>Further, as mentioned in Clause 7(e) of the REOI, IPs are advised to check the below website link regularly to keep themselves updated regarding any clarifications/ amendments/ time extensions, if any.</p> <p><a href="https://www.treasury.gov.lk/web/sru-entities-to-be-divested/section/canwill-holdings">https://www.treasury.gov.lk/web/sru-entities-to-be-divested/section/canwill-holdings</a></p>
17.	When can IPs access the data room?	Please refer Clause 3(a)(ii) of the REOI. Only Pre-Qualified Bidders identified by GOSL will be provided access to a virtual data room at the RFP Stage subject to execution of a Non-Disclosure Agreement.
18.	How can IPs send their queries regarding the REOI?	Please refer to Clause 7 of the REOI. Any queries may be raised with the designated officer specified in the Data Sheet (Schedule B) of the REOI by way of an e-mail at <a href="mailto:canwill@sru.gov.lk">canwill@sru.gov.lk</a> .
19.	Can the IPs conduct site visits at this stage.	While site visit is not specifically contemplated at the EOI Stage, any request for site visit may be made by way of an e-mail at <a href="mailto:canwill@sru.gov.lk">canwill@sru.gov.lk</a> . GOSL reserves the right to take any decision regarding allowing site visits at the EOI Stage, in its sole discretion.
20.	Can the hotel be purchased outright without a local Sri Lankan partner?	There is no requirement of a local Sri Lankan partner. All applicable laws are required to be complied with for the Proposed Transaction.
21.	Is the government investment board approval required to acquire 100% stake?	<p>Please see our response in query no. 1 above.</p> <p>If IPs are interested in 100% acquisition of Canwill, then GOSL shall on a best-efforts basis take steps to offer the same under the proposed divestiture.</p>

<b>S. No.</b>	<b>Query</b>	<b>Clarifications</b>
22.	What is the indicative value of the hotel?	<p>No guidance is currently provided. RFP will be a transparent competitive bidding process as per Divestiture Guidelines.</p> <p>All IPs, both local and international, will be required to undertake their own independent due diligence in preparing their bids.</p>