



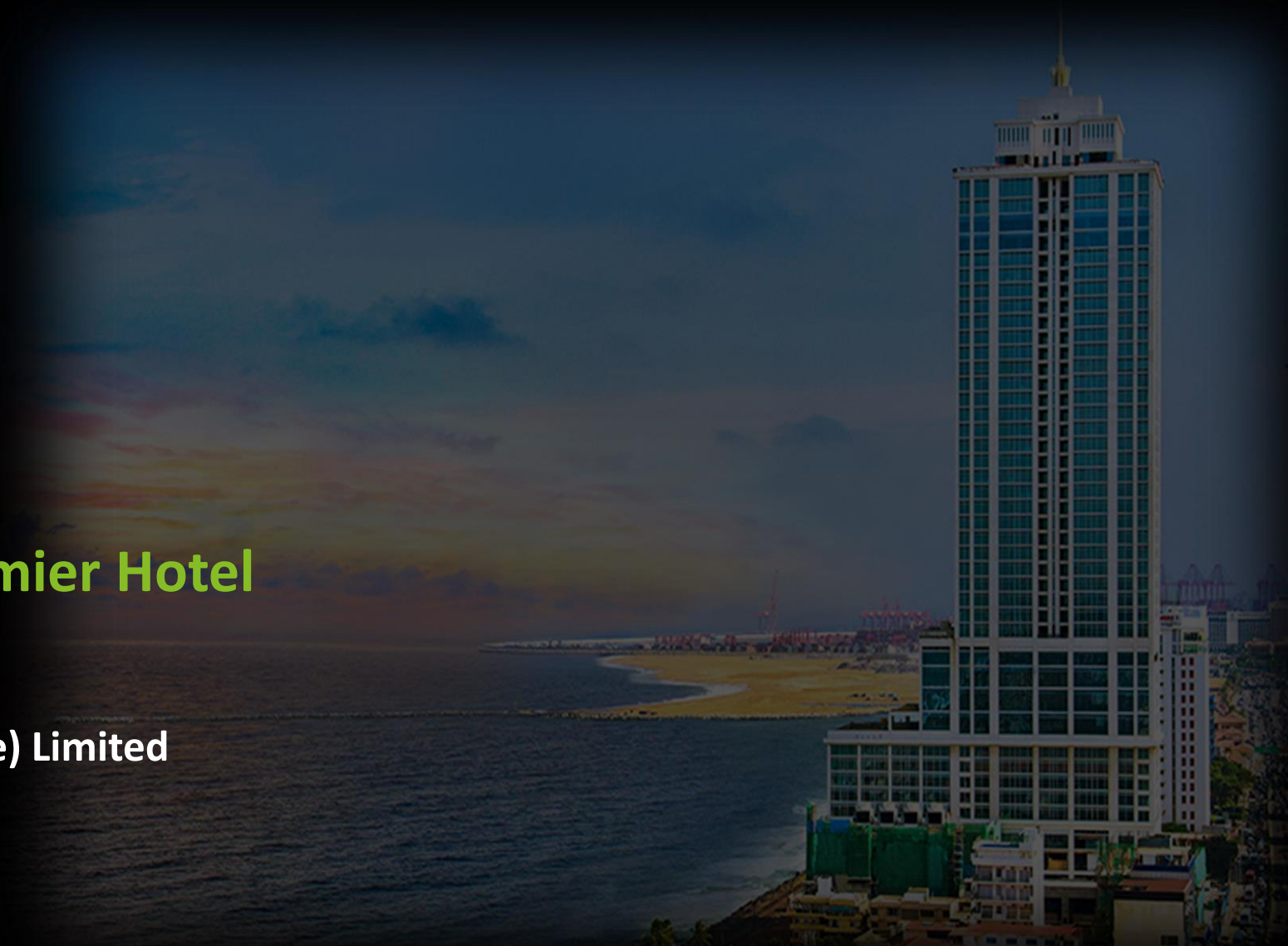
Ministry of
Finance, Economic
Stabilization &
National Policies



Opportunity to acquire Premier Hotel Properties in Sri Lanka

Divestiture of Canwill Holdings (Private) Limited

October 2023



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●● Opportunity Brief



Opportunity Brief

Compelling opportunity to acquire **one of the largest and strategically located upcoming 5-star property and a land parcel for developing luxury beach resort in Sri Lanka**

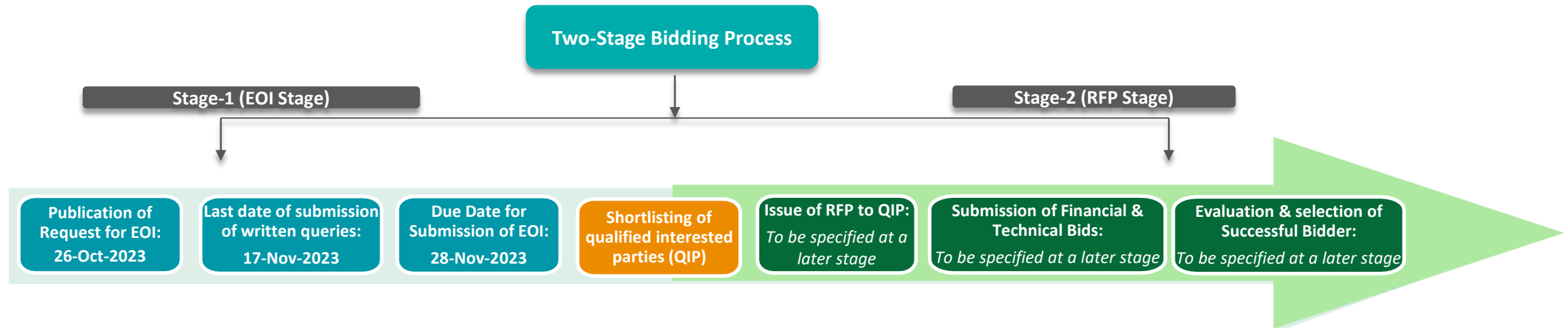
☆ Transaction Scope

The Secretary, Ministry of Finance, Economic Stabilization and National Policies of the Democratic Socialist Republic of Sri Lanka acting through the State-Owned Enterprise Restructuring Unit (SOERU) established under the Ministry of Finance (MoF-GoSL) intends to divest all or part of equity shareholding in **Canwill Holdings (Pvt) Limited (Canwill)** the parent company to **Sinolanka Hotels & Spa (Pvt) Ltd (Sinolanka)** and **Helanco Hotels & Spa (Pvt) Ltd (Helanco)**.

- Sinolanka is developing a 47-story hotel project consisting of 458 rooms and 100 serviced apartments built to Grand Hyatt specks, located in the country's commercial capital, Colombo.
- Helanco holds 9.42 acres of beachfront land in the southern city of Hambantota for construction of a luxury beach resort.

The proposed Transaction will include sale of shares of both these subsidiaries. However, if interests are received for subsidiaries separately, GoSL reserves the right to carry further process accordingly.

For the proposed Transaction, MoF-GoSL has appointed **Deloitte Touche Tohmatsu India LLP (DTTILLP)** as Transaction Advisor to advise on and manage the transaction process.



Eligibility Criteria

Financial Eligibility Criteria

Any Person shall be eligible to participate in the Bidding Process either individually or as part of a Consortium (“Interested Party” or “IP”). However, an IP is not permitted to submit more than one EOI.

(a) An IP must demonstrate a minimum Net Worth or financial capability of at least **USD 50,000,000 (United States Dollar Fifty Million)** or its equivalent to undertake the Proposed Transaction, in the ways set out below. For avoidance of doubt, it is clarified that the said minimum Net Worth is not an indication of the value of the Proposed Transaction.

- i. By providing the IPs’ latest audited balance sheet, which must be dated not earlier than 31st March 2022, or the last day of the IP’s Financial Year, whichever is later; or
- ii. By providing a letter issued by a Regulated Financial Institution demonstrating the financial capability of the IP.

If an IP is seeking to satisfy the Net Worth criteria based on its Parent’s Net Worth, the aforesaid financial eligibility must be fulfilled by the Parent. Further, the IP would need to additionally submit an undertaking from the Parent.

(b) In case of Consortium, all Consortium Members shall be permitted to rely on the financial capability of their respective Parents for the purpose of fulfilling the Financial Eligibility Criteria. However, in case the Consortium Members have a common Parent, not more than one Consortium Member shall be permitted to rely on the financial capability of such Parent. It is clarified that no duplication of Net Worth shall be permitted.

(c) Net Worth of a Consortium, for the purpose of qualification in accordance with this REOI, shall be calculated as weighted average of the Consortium Member’s’ Net Worth in proportion to their its Stake in the Consortium.

(d) The IPs should meet the Financial Eligibility Criteria to be considered for participation in the RFP Stage.

(e) No IP applying individually or as a Consortium Member, as the case may be, can be member of another IP.

Note: For further details on the eligibility process please refer to the Request for Expression of Interest Document dated 26th October 2023.

Contact Details

➤ The Detailed Request for Expression of Interest in respect of the Proposed Transaction can be downloaded from the following website:

- <https://www.treasury.gov.lk/web/sru-entities-to-be-divested/section/canwill-holdings>



➤ Interested parties can seek further information by writing to:

- canwill@sru.gov.lk

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Transaction Team Lead

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●● Key Investment Considerations



Key Investment Considerations

Opportune Time to invest in Hospitality sector in Sri Lanka

Thriving Tourism Activities

- Post pandemic, the country is showing a **robust rebound in the tourism industry** - international tourist arrivals have started exceeding pre-pandemic levels.
- The sector contributed **~15% share i.e. USD 1.13 bn** in the **GDP** of Sri Lanka in 2022. The Government has a target of achieving **USD 5 bn by 2025**.
- **IMF, World Bank** and **ADB's** support in Sri Lanka's economic policies and reforms is also aiding rapid growth of the tourism sector.

Robust Infrastructure Development

- Key projects like **Port City Colombo** and **Cinnamon Life Integrated Project** are likely to transform Colombo as a world-class business city and a leading tourist destination.
- Both projects are expected to transform **Colombo as largest casino hub** in South Asia connecting Middle East, Europe, South Asia, South East Asia and the Far East Asia.
- The Government is developing various support infrastructure for **enhanced connectivity** such as – **expansion of Bandaranayake International Airport in Colombo** (increase in passenger handling capacity from 6 Mn to 15 Mn by 2024) and **construction of elevated expressway** connecting Airport expressway with the Colombo Port City (to make Port City within 20 minutes drive from airport).

Top tier landmark hospitality asset in heart of Colombo

Strategic Location

- Seafront land with direct view of the Indian Ocean in prime economic center which houses major Government offices, financial institutions & MNCs.
- Also, in close proximity to wide range of non-business tourist attractions.

Government Support

- Notified under the Strategic Development Projects Act No 14 of 2008 for various tax concessions - tax-free period, concessionary tax period, tax concessions for expatriate employees, etc.

Built as full-service premium 5-star property with world class specifications

- The property is being built Grand Hyatt specs, since Sinolanka has entered in a Hotel Management Agreement with Hyatt International-Southwest Asia Ltd..

Fast time to market

- Significant development progress to-date with substantial capex done, structure of the building almost complete.
- With majority of approvals in place & detailed planning already in place, property can be completed and commissioned quickly.

Beachside land parcel in Hambantota

- **Beachside property** on the southern coast, which is a strategic crossroad of major international shipping routes.
- Located at a **distance of ~16 km from Hambantota International Port**, Sri Lanka's second largest port, after Colombo.
- Surrounded by various **cultural, historical, wildlife tourist attractions** in nearby areas.

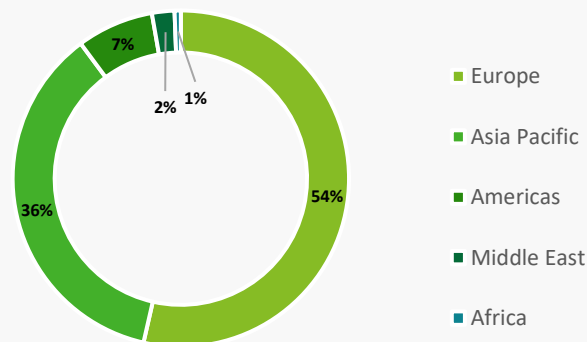
Tourism Activities in Sri Lanka

An opportune time to invest in Hospitality Sector

Thriving Tourism Activities

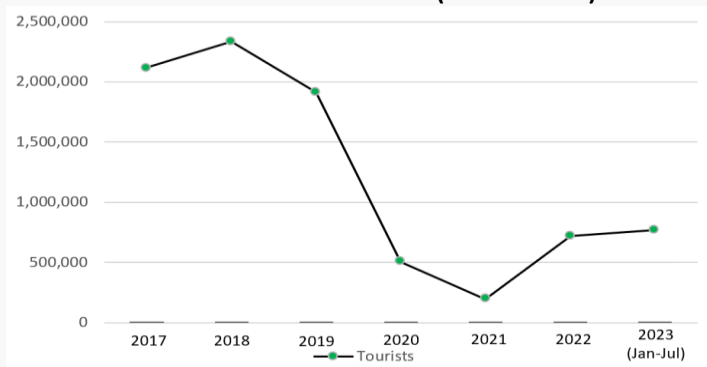
- Given the location, Sri Lanka is one of the preferred tourist destinations. The top 5 contributors (country-wise) during the period of **January'23 to July'23** for Sri Lanka's tourism sector were **India, Russia, UK, Germany, and France**.
- In 2022, the total earning from the tourism sector was **~USD 1.13 bn** translating to **~15 per cent share** in the **GDP** of Sri Lanka
- As per the '**Strategic Plan for Sri Lanka Tourism 2022-2025**' compiled by The World Bank, the Government has a target of **USD 5 bn** of revenue from the tourism sector, by 2025

Region wise break-up of incoming Tourists (Jan'23 to Jul'23)



Region	Tourist	Percentage
Europe	411,355	53.57%
Asia Pacific	278,616	36.28%
Americas	56,711	7.39%
Middle East	16,624	2.16%
Africa	4,607	0.60%

Year wise Total Tourist Arrivals (2017 to 2023)



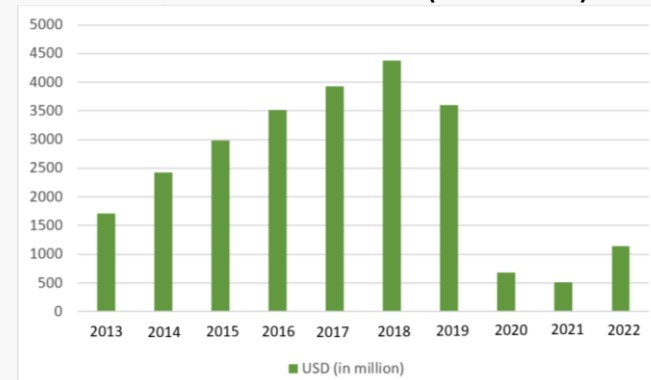
- The country has shown a robust rebound in the tourism industry, as the number of international tourist arrivals are exceeding pre-pandemic levels.

143,039 visitors in July'23

~67% YoY Growth in Tourism for Jan-Jul'23

767,913 visitors from Jan'23 to Jul'23

Year wise Total Tourism Revenue (2013 to 2022)



- Large number of international tourists visited Sri Lanka for - leisure, vacation, business, medical, education, etc.
- IMF has approved** Extended Fund Facility (EFF) of about **USD 3 billion** to support Sri Lanka's economic policies and reforms, while the **Asian Development Bank** has approved a **USD 350 million** special policy-based loan to provide budget support to Sri Lanka for economic stabilization. Further, the **World Bank** has also approved a **USD 700 million** budgetary and welfare support to Sri Lanka. This is also aiding the growth of the tourism sector.

Tourism Activities in Sri Lanka

An opportune time to invest in Hospitality Sector

Robust Infrastructure Development - Opportunity to leverage from development of Port City Colombo & Cinnamon Life Integrated Project

Key Highlights

- Colombo Port City and Cinnamon Life Integrated Project likely to transform Colombo as a leading tourist destination and a major business city in Asia.
- Colombo Port City **Special Economic Zone** is positioned to attract foreign businesses to set up their headquarters in the proposed **Colombo International Financial Centre**.



Colombo Port City



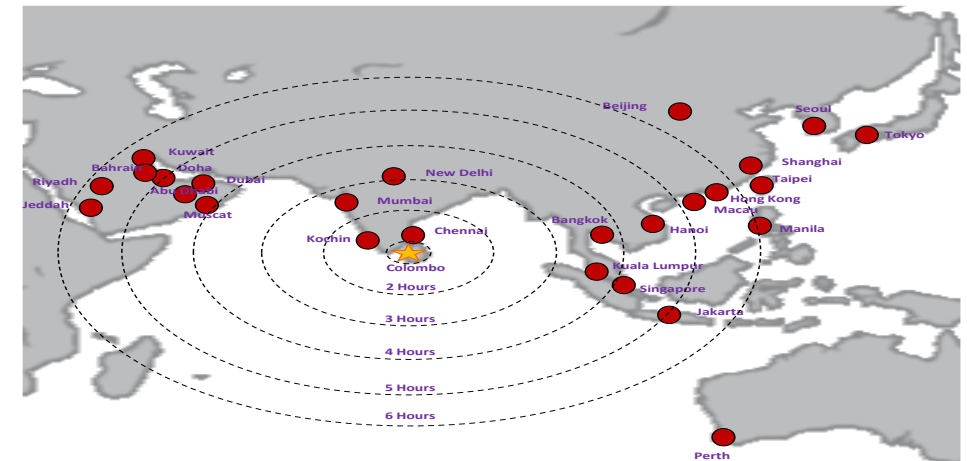
- As Sri Lanka's first master-planned economic zone, Port City will add **27 Ha of parks, a 2 km public beach and an urban waterfront along a 70 m wide channel to Colombo's cityscape.**
- The city will also feature **South Asia's first international marina**, with capacity to berth up to 170 mid-size yachts.
- Colombo Port City will also house 2 integrated gaming resorts making Colombo as the **South Asia's first world-class integrated gaming resort destination**



Cinnamon Life Integrated Development



- Cinnamon Life, the **4.5 Million sq.ft** integrated mixed-use development, is a city within a city, and is envisioned to be the epicenter of modern South Asia.
- Project is expected to be completed in 2025.
- Cinnamon Life will also consist of a **~15,000 sqm gaming facility.**



- Sri Lanka is uniquely located due to its **close proximity to key casino feeder markets** such as China, India, Malaysia, Singapore, Bangladesh and Philippines. Asian casino destinations generates over USD 50 billion of Gross Gaming Revenue ("GGR") per annum.
- Gamers from Europe, Middle East and Africa could be attracted to Sri Lanka due to **closer proximity and better airline connectivity** compared to other Far East Asian gaming destinations such as Macau and Philippines.
- Colombo has a substantial potential to become major **Casino Hub in Asia connecting Middle East, Europe, South Asia, Southeast Asia and the Far East Asia.**

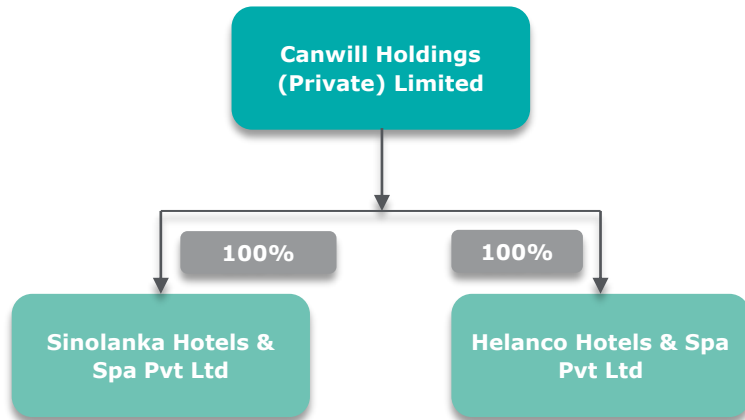
Company Overview



Company Overview

Canwill Holdings (Private) Limited

- Canwill was incorporated in December 2011 to invest in the Hospitality / Tourism sector. Its principal activities include investment promotion in the leisure sector and controlling and monitoring subsidiaries as a holding company



47-story hotel project being developed on 2.32 acres of prime oceanfront land, located in Colombo

9.42 acres of beachfront leasehold land in Hambantota

Location of the properties

Sinolanka Hotels & Spa Pvt Ltd

- Located in 116 Galle Rd, Colombo 00300, Sri Lanka
- ~36 kms from **Bandaranaike International Airport**
- ~3.5 kms from **Colombo Seaport**
- Close proximity to **Colombo International Financial City** (Port City Colombo)

– **Google Map Link:**
<https://goo.gl/maps/qgdX3YDwfjsxZQTt5>

Helanco Hotels & Spa Pvt Ltd

- Located in Hambantota
- ~26 kms from **Mattala Rajapakasa International Airport**: 30 minute ride by taxi
- ~16 kms from **Hambantota International Port**

– **Google Map Link:**
<https://maps.app.goo.gl/fCg9VNquwfkC4RVp6>



Sinolanka Hotels & Spa Pvt Ltd

Project Summary



47
story hotel



458
Rooms



100
Serviced
Apartments



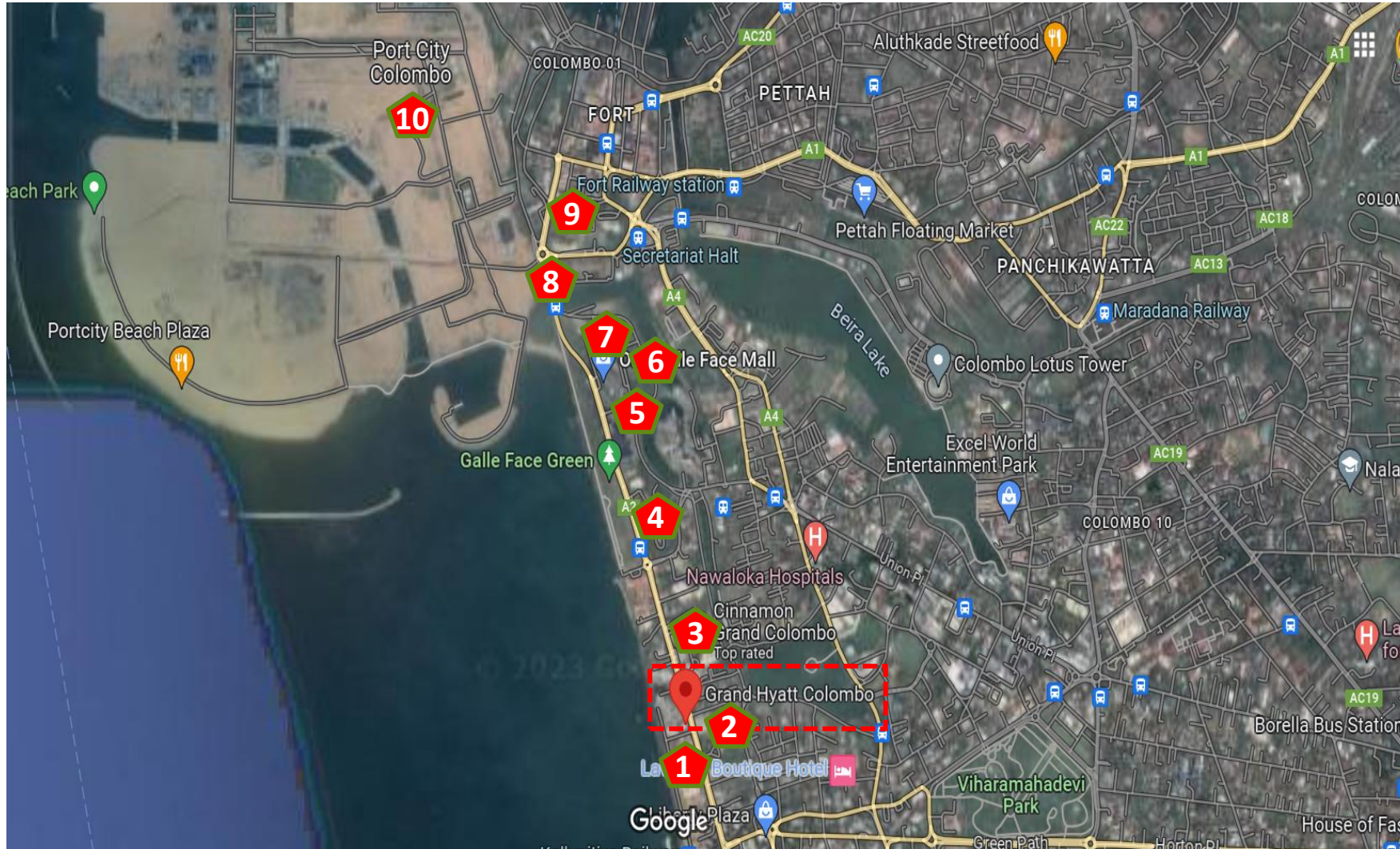
2.32 acres
Ocean front
Land

- Sinolanka Hotels & Spa Pvt Ltd is a **100% subsidiary** of Canwill Holdings (Pvt) Ltd.
- It is developing a 47-story hotel project consisting of 458 rooms and 100 service apartments and is located on the Galle Road, which is one of the arterial roads in the **central business district** (CBD) area of **Colombo, Sri Lanka**.
- The Project is being developed on **2.32 acres** of prime ocean front land and has a total built-up-area of **1,340,562 sq.ft.**
- In 2012, Sinolanka entered into a technical services and management agreement with **Hyatt International-Southwest Asia Ltd** to operate the property as a **Grand Hyatt** and the hotel is specked accordingly.
- The structure and façade of the building is almost complete with substantial capex done. Most of the approvals and planning for completion is in place as per global standards. With most of time-consuming activities already completed, the hotel **can be commissioned in a quick time frame.**
- The Project notified as a **‘Strategic Development Project’** eligible for various tax concessions during the project implementation period as well as during commercial operations.



Sinolanka Hotels & Spa Pvt Ltd

Location Map



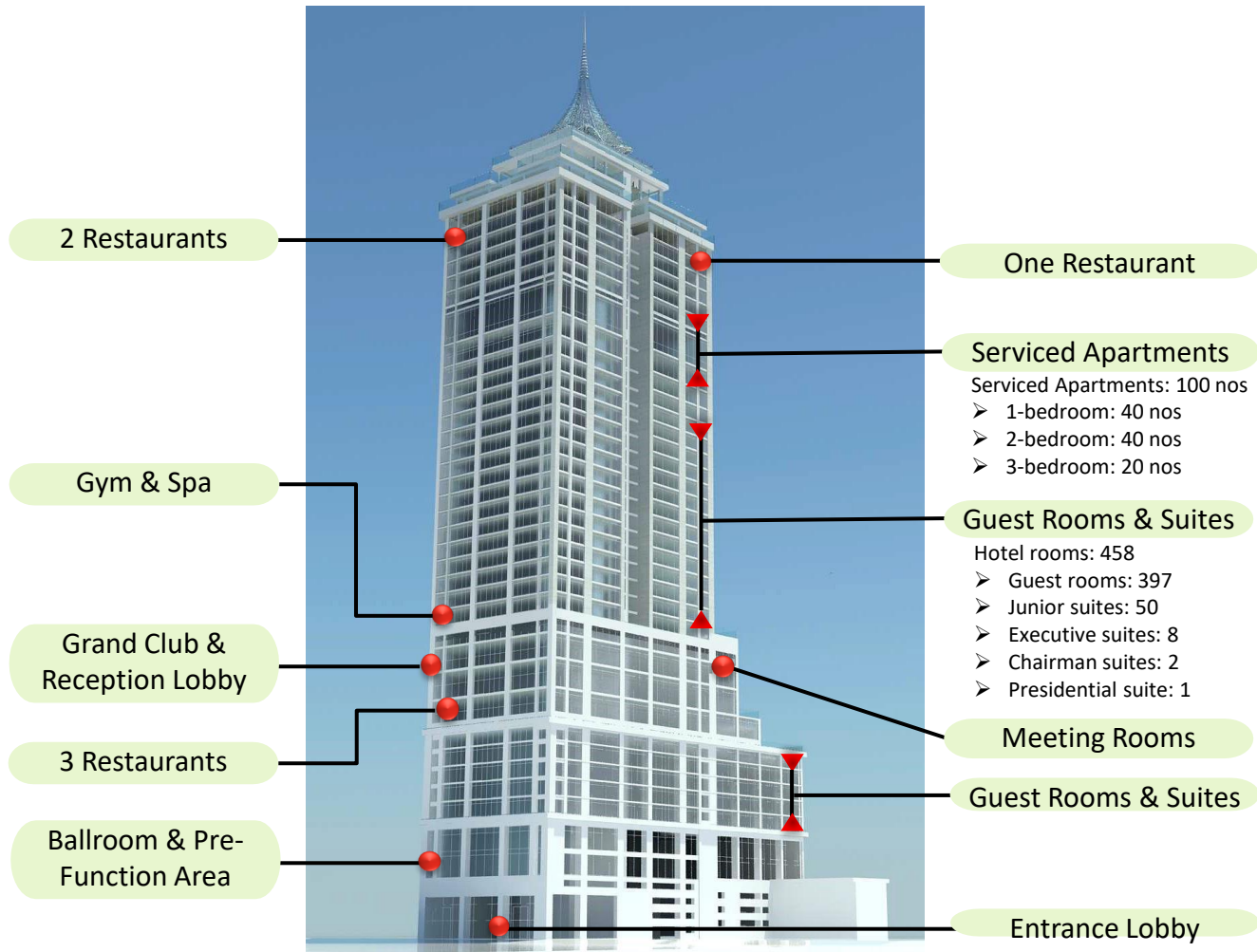
Prime Location in Colombo – Distance from the Property

- 1** US Embassy – 300m
- 2** Temple Trees (Official Residence of the Prime Minister) – 1.2km
- 3** Cinnamon Grand, Colombo – 1.7km
- 4** Taj Samudra, Colombo – 2.1km
- 5** ITC One, Colombo – 2.3km
- 6** Cinnamon Life Integrated Resort – 2.5km
- 7** Shangri-La, Colombo – 3.3km
- 8** Presidential Secretariat & Treasury – 3.1km
- 9** World Trade Centre, Colombo – 3.4km
- 10** Port City Colombo – 4.3km

Sinolanka Hotels & Spa Pvt Ltd

Space Configuration

Space Allocation Plan



Space Configuration

Level	Spaces
Basement 1	MEP Services & Parking & Commissary kitchen
Basement 2	MEP Services , Parking
Level 1 Lower	MEP Services ,Parking & Entrance Lobby
Level 1 Upper	MEP Services & Parking
Level 2	MEP Services & Parking
Level 3	Parking & Laundry
Level 4	Banquet hall , Banquet kitchen & Pre-function
Level 5	Hyatt office
Level 5 Mezzanine	MEP Services
Level 6-10	Guestrooms
Level 11	Three Restaurants & Main pool
Level 12	All day Dining
Level 13	Grand Club , Reception area & Lobby lounge
Level 14	Meeting rooms
Level 14 Mezzanine	MEP Services
Level 15	Gym & Spa
Level 16-31	Guestrooms
Level 32	MEP Service
Level 33 – 42	Service Apartments
Level 43	Two Restaurants
Level 44	One Restaurant & Night Club
Level 45 - 47	MEP Services

Sinolanka Hotels & Spa Pvt Ltd

Planned Interior Designs



Arrival Lounge



Cafe



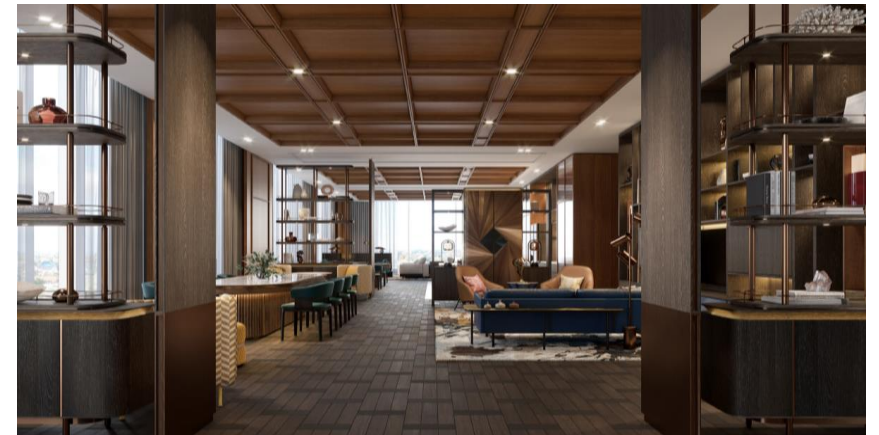
Ballroom



Meeting Room



Restaurant



Club

Sinolanka Hotels & Spa Pvt Ltd

Project Site Photographs

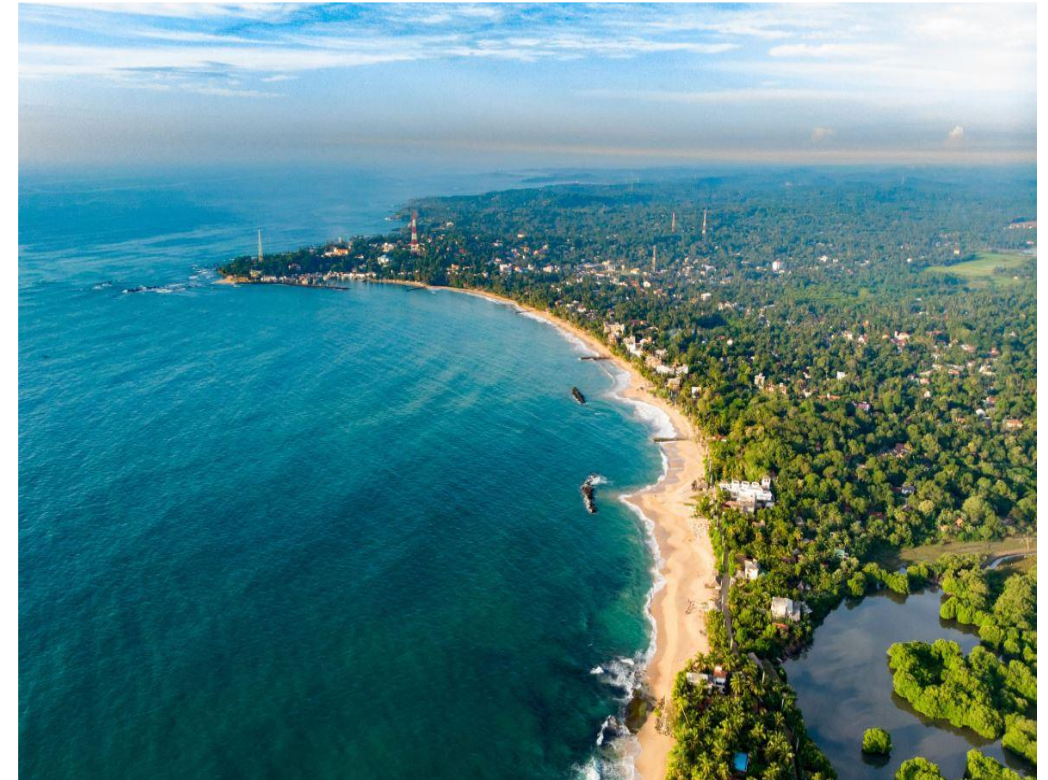


Helanco Hotels & Spa Pvt Ltd

Project Summary

Company overview

- Helanco Hotels & Spa Pvt Ltd is a **100% subsidiary** of Canwill Holdings (Pvt) Ltd.
- The company holds **9.42 acres** of beachfront leasehold land in Hambantota.
- Helanco entered into a hotel management agreement with **Hyatt International-Southwest Asia Ltd (“Hyatt”)** on 27th March 2014, to operate the property as **Hyatt Regency**.
- It was envisaged to be a luxury beach resort. However, **construction is yet to commence**.
- The Agreement between Hyatt and Helanco has since expired and is no longer valid.



Helanco Hotels & Spa Pvt Ltd

Location Map

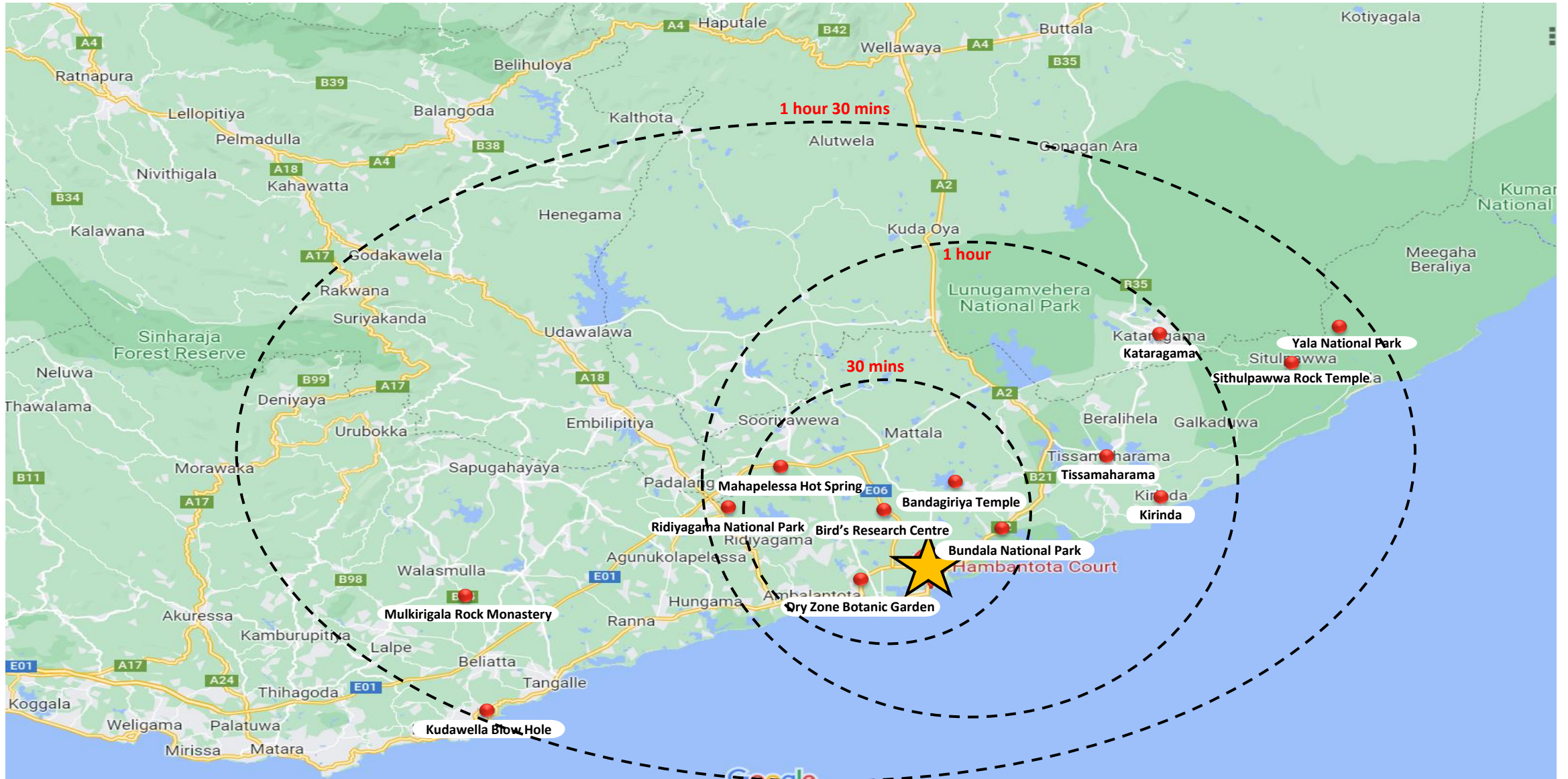


Prime Location in Hambantota – Distance from the Property

- 1** Anantara Peace Haven Tangalle Resort – 20.2km
- 2** Shangri-La-Hambantota – 14.2km
- 3** The Oasis Beach Resort – 14.4km
- 4** Hambantota Port – 16.1km
- 5** The Peacock Beach Hotel – 700m
- 6** Birds Resort Hambantota – 15.1km
- 7** Mattala Rajapakasa International Airport – 26.5km
- 8** Yala National Park – 56.6km

Helanco Hotels & Spa Pvt Ltd

Nearby Tourist Attractions – Travel time by road



Helanco Hotels & Spa Pvt Ltd Layout





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