

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or any action to be taken, you should consult your Banker, Solicitor, Accountant, Stockbroker or any other independent professional adviser duly registered under the Investment and Securities Act, No. 29 of 2007 immediately.

If you have sold or otherwise transferred all your shares in Capital Hotels Plc please give this document to the purchaser or transferee or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. In the alternative, kindly return this document to the Registrars.

The receipt of this document or of any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice to a shareholder of Capital Hotels Plc or to any other person by the Company or its directors and Capital Hotels Plc does not commit to providing shareholders with other information, updates or corrections to this document or the information contained herein.

EXPLANATORY STATEMENT



EXPLANATORY STATEMENT TO SHAREHOLDERS OF CAPITAL HOTELS PLC ON THE PROPOSED VOLUNTARY DELISTING OF CAPITAL HOTELS PLC FROM THE NIGERIAN EXCHANGE LIMITED

1. Introduction

This letter is issued in view of the AGM to be held on the 17th May, 2023 at Abuja Continental Hotel, Abuja, to propose for approval amongst other business of the day, the delisting of the total of 3,160,775,510 (Three Billion, One Hundred and Sixty Million, Seven Hundred and Seventy-Five Thousand and Five Hundred and Ten) ordinary shares of Capital Hotels Plc listed on the Main Board of The Nigerian Exchange Limited (the “Transaction”). The purpose of delisting is to enable the Company explore strategic opportunities, alliances and collaborations that can bolster earnings and/or provide synergized benefits with little or no regulatory obligations.

2. Exit Provision

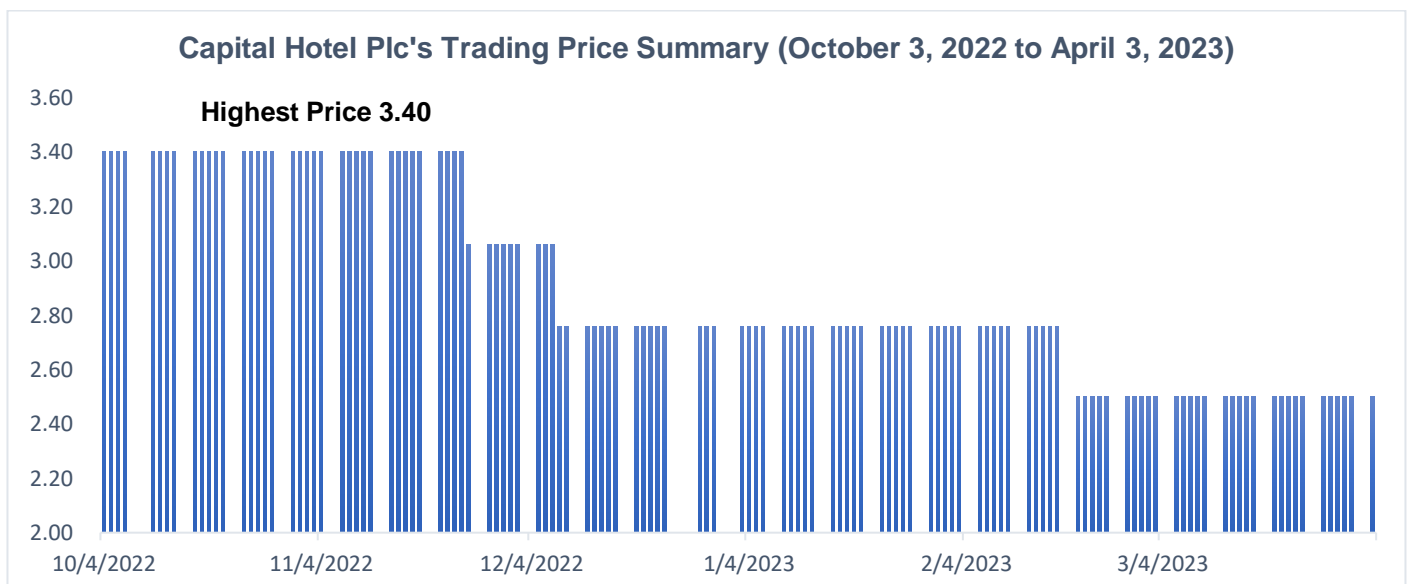
Shareholders who disapprove that the company should delist, can indicate their resentment through the registrar for appropriate compensation.

3. Exit Considerations

The interest of dissenting shareholders shall be bought by the Majority Shareholder for a consideration of **₦3.40 (Three Naira, Forty Kobo Only)** per each ordinary share, being the highest price at which Capital Hotels Plc shares have traded, six (6) months preceding the notice of the AGM at which the resolution to delist will be deliberated, as provided by the rules of the Nigerian Exchange Limited (“NGX”). The Financial Advisers and the Board, therefore consider this price fair and reasonable.

Following the conclusion of the delisting process, Capital Hotels Plc will become an Unlisted Public Liability Company (PLC). Shareholders that intend to remain members of an unlisted Capital Hotels Plc shall be free to remain and there is no obligation to receive the Exit Consideration.

4. Historical Market Trading of Capital Hotels Plc



Capital Hotels Plc is listed on the NGX with average daily trading volume of 623,013 shares and average daily value traded of ₦835,947 over the last 6 months. The chart above reflects the trading pattern of Capital Hotels Plc on the NGX within the six (6) months period preceding the date of notice of the AGM on 3rd April 2023.

5. Conditions Precedent

The transaction is subject to the fulfillment of the conditions detailed below:

- ✓ Board of Directors resolution for the delisting of the Company.
- ✓ Resolution to voluntarily delist the company supported by at least 75% of members present and voting during the AGM.
- ✓ SEC and NGX approval of the terms and conditions of the transaction.

Once the transaction is approved by the Nigerian Exchange Limited (NGX) with the Securities and Exchange Commission (SEC) duly notified, the shares of the company shall be expunged from the daily official list of the Exchange. Furthermore, all dissenting shareholders would be settled and cease to be shareholders of Capital Hotels Plc.

6. Taxation

Under the Companies Income Tax Act Cap C21 LFN 2004, the implementation of the proposed delisting will not give rise to any taxation disadvantages to the Dissenting Shareholders, either with respect to capital gains tax or stamp duty. The Capital Gains Tax Act Cap C1 LFN 2004 exempts any gains realized by a person from a disposal of shares from capital gains tax. Furthermore, the Stamp Duties Act Cap. S8 LFN 2004, exempts instruments for the transfer of shares from the payment of stamp duty. However, this statement is not intended to be, and should not be construed to be, legal or tax advice.

Dissenting Shareholders who are in any doubt about their taxation position, or who are subject to taxation in a jurisdiction outside Nigeria, are strongly advised to consult their professional advisers without delay as to the consequences of the transaction in view of their circumstances.

7. Meeting to approve the Delisting

At the Annual General Meeting scheduled to hold on the 17th May 2023, the shareholders of Capital Hotels Plc will consider and, if thought fit, approve the Voluntary delisting. At the AGM, each shareholder - entitled to vote - will be entitled to one vote for every ordinary share held.

In the event that the resolutions are approved by the requisite majority of shareholders, Capital Hotels Plc will notify the Securities and Exchange Commission and submit an application to The Nigerian Exchange Limited for the approval of the Voluntary Delisting.

8. Effect of the Delisting

Upon the delisting of Capital Hotels Plc, the shares of the Company will no longer be available for trading on the Nigerian Exchange Limited. It is envisaged that the delisted Capital Hotels Plc will continue its operations, as an unlisted Public Company.

9. Plan for Employees

The delisting will not have any impact on the existing employment contracts of its staff.

10. Director Composition

The delisting will not have any impact on the composition of the Board of Directors of Capital Hotels Plc.

11. Strategic Plans

Capital Hotels Plc will be able to focus on revenue generation, consider strategic opportunities, alliances & collaborations; and tremendously shift from regulatory, administrative, and financial reporting regulations that companies listed on the Nigerian Exchange Limited must adhere to.

12. Actions to be taken

Attendance at the meeting, for purposes of voting on the resolution that will be proposed to shareholders. In the alternative, the submission of a Proxy Form for purposes of voting at the meeting should attendance not be possible, the attached form should be duly completed and returned to **Cardinal Stone Registrars Limited**, located at 335/337, Herbert Macaulay Road, Yaba, Lagos, within the specified period.

13. Settlement

At the expiration of the three (3) month regulatory notice period, Capital Hotels Plc shareholders that have opted to exit the Company will receive exit consideration in section 3 above.

After the receipt of a clearance from the Exchange, the Majority Shareholder will set aside sufficient cash to cater for the claims of all dissenting shareholders within five (5) working days.

The Consideration to each dissenting Shareholder shall be remitted to each Shareholder by the Registrars within 7 (seven) working days of notice of dissent from the Effective Date (the date on which the shares of Capital Hotels is suspended), by way of e-remittance only (to bank accounts in respect of which the Registrars have e-dividend mandates).

To ensure that all shareholders' interests are catered for, the Consideration Account shall remain operational for a period of three (3) years from the Effective Date, during which period the dissenting Shareholders will be eligible to receive the consideration for their interests being surrendered to the Majority Shareholder. On the third anniversary of the Effective Date, the Consideration Account will cease to be operational and any amount remaining in the Consideration Account shall be transferred by the Registrars to the Company.

14. Statement of Financial Capability

Upon the expiration of the timeline to dissent on June 16, 2023, the Majority Shareholder will set aside sufficient funds and provide evidence of funding to the Exchange, to demonstrate that it has the financial resources to settle any dissenting shareholder.

15. Conclusion and Recommendation

The Board, having considered the terms and conditions of the proposed delisting, as well as the benefits thereof, believes that your interest and that of other stakeholders have been adequately provided for. Hence, all dissenting shareholders should please indicate through the Registrar- **Cardinal Stone Registrars Limited**, located at 335/337, Herbert Macaulay Road, Yaba, Lagos by completing and forwarding the attached form.

CAPITAL HOTELS PLC - DELISTING FROM THE NIGERIAN EXCHANGE LIMITED- CONSIDERATION ELECTION AND ACCEPTANCE FORM TO BE COMPLETED BY ALL SHAREHOLDERS OF CAPITAL HOTELS PLC WHO ACCEPT THE EXIT CONSIDERATION*

Capital Hotels Plc shareholders will be able to elect to accept the Exit Consideration from May 17, 2023 to June 16, 2023.

Capital Hotel Plc anticipates that the Delisting will take effect from June 30, 2023.

1. I/We confirm that I/we have read and understand the terms and conditions of the delisting of Capital Hotels Plc. I/We confirm my/our acceptance of the terms under which the Company is to be delisted; including the Exit Consideration.
2. I/We hereby represent and warrant that I/we am/are the sole owner(s) of the shares that we hereby transfer in acceptance of the Exit Consideration and that these shares are free from any mortgage, pledge, equitable interest, claim or any other security interest and I/we have full power and authority to transfer ownership of the shares, under the terms of the delisting.
3. Accordingly, **all my/our holdings in Capital Hotels Plc (whether evidenced by Certificate(s) or lodged in the CSCS Limited) are hereby transferred in accordance with the terms of the delisting.**

No. of Ordinary Shares Relinquished																			
Units																			
<i>Units in Words</i>																			
<i>Units in Words</i>																			

For corporate shareholders: I/We also attach a duly executed Board Resolution authorizing that the shares specified in Clause 3 above be transferred pursuant to the Delisting.

4. I/We understand that all deposits of shares will be subject to the verification of the signatures and units provided by me/us on this Acceptance of Consideration Form.
5. I/We understand that my/our acceptance of the terms of the Delisting as specified in Clause 1 above is an indication of my/our decision to deposit the Shares in accordance with the terms of the Delisting.
6. I/We understand that by accepting the terms of the Voluntary Delisting and depositing my/our shares, I/we sell, assign and transfer all the rights, benefits, title and interest in and to the shares deposited including any and all dividends and distributions which may be declared on or in respect of any of the shares deposited.

7. I/We hereby request that the shares accruing to me/ us pursuant to the Voluntary Delisting be settled by crediting the below CSCS account with the shares due to me:

CSCS Account Name:

CSCS Account Number:

CHN Number (if known):

Signature of Broker:

8. I/We advise that I/we may be contacted:

- a. By mobile telephone on
- b. By fax on
- c. By email at

9. I/We hereby request that the consideration payable to us/me for the shares deposited pursuant to the terms of the Voluntary Delisting be settled by payment into my/our nominated bank account.

Bank Name:

Branch Address:

Bank Account Number:

Bank Sort Code:

Bank Verification Number (BVN):

Shareholder's Signature:.....

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* Offer lapses on June 16, 2023

This Form must be submitted only to the addresses indicated below:

Cardinal Stone Registrars Limited
335/337, Herbert Macaulay Road,
Yaba, Lagos

Cordros Capital Limited
70 Norman Williams
Ikoyi, Lagos

The Company Secretary
Ifeunandu & Co
Suite 2B South East Pavilion Tafawa
Balewa Square Lagos.

PROXY FORM

I/We..... being a holder/ holder of ordinary shares in Capital Hotels Plc, hereby appoint* or failing him/her, the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 17th May, 2023 at 12:00 Noon at Abuja Continental Hotel, Abuja

	RESOLUTION	VOTES	
		For	Against
1	To approve the voluntary Delisting of the Company's shares from the floor of the Nigerian Exchange Limited (NGX).		

Dated this.....day of.....2023

Shareholder's Signature.....

A member entitled to attend and vote at the AGM is advised to select from the under listed proposed proxies to attend and vote in their stead:

1. Mr. Ramesh Kansagra
2. Mr. Robert Itawa
3. Pascal Demarchi
4. Ravi Bachu
5. Chief Paul Obi
6. Mr. Rishi Kansagra
7. Alhaji Aminu Abdulkadir
8. Mr. Toke Alex-Ibru
9. Mr. Chuma Anosike

NOTE:

A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by Proxy. The above proxy form has been prepared to enable you exercise your right to vote if you cannot personally attend.

Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked*) the name of any person, whether a member of the Company or not, who will attend and vote on your behalf instead of the Chairman of the meeting.

Please complete the Proxy Form, duly signed and stamped by the Commissioner of Stamp Duties and should be deposited with the Registrars, **Cardinal Stone Registrars Limited**, located at 335/337, Herbert Macaulay Road, Yaba, Lagos not later than 48 hours before the date of the Annual General Meeting.

If executed by a corporation, the proxy form should be sealed with the common seal.



Before posting the above form, please tear off this part and retain it for admission to the meeting

ADMISSION CARD

Please admit to the Annual General Meeting of Capital Hotel Plc which will be held at 12:00 Noon on the 17th May, 2023 at Abuja Continental Hotel, Abuja.

Shareholder's Signature

Proxy's Signature

IMPORTANT:

- a) This admission card must be produced by the shareholder or his proxy in order to obtain entrance to the Meeting.
- b) Shareholders and/ or their proxies are requested to sign the admission card before attending the Meeting.