

VALLIBEL FINANCE PLC

[Company Registration No. PB26PQ]

No.310, Galle Road

Colombo 3

Tel: (+94) 11-2370990

CIRCULAR TO SHAREHOLDERS

Dear Shareholder/s

SUB-DIVISION (SPLITTING) OF SHARES

The Board of Directors of Vallibel Finance PLC, being of the view that it is prudent to increase the number of shares through a sub-division thereby enhancing the liquidity and tradability of the shares, has decided to recommend to the shareholders, a sub-division of its Ordinary Shares.

The sub-division will not change the Stated Capital of the Company nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interest of the respective shareholders. The increase of shares by way of a sub-division is not contrary to the provisions of the Companies Act, No. 7 of 2007.

The proposed sub-division will be effected on the basis of a sub-division of every one (01) Ordinary Share held by a Shareholder being sub-divided into four (04) Ordinary Shares thereby increasing the total number of issued shares of the Company from Fifty Eight Million Eight Hundred and Sixty Three Thousand Three Hundred and Fifty (58,863,350) shares to Two Hundred and Thirty Five Million Four Hundred and Fifty Three Thousand and Four Hundred (235,453,400) Ordinary Shares without in any way changing the Stated Capital of the Company, which would remain at Rupees One Billion Three Hundred and Twenty Five Million Nine Hundred and Eighteen Thousand (Rs. 1,325,918,000/-).

The rights presently attached to the existing issued Ordinary Shares shall, consequent to such sub-division, vest in each such Ordinary Share arising from the said sub-division. Consequently, the relative voting and distribution rights of the Ordinary Shareholders will remain unaffected by the said sub-division of shares.

Article 16(ii) of the Articles of Association of the Company facilitates such sub-division of shares of the Company, by an Ordinary Resolution of the Shareholders of the Company.

Accordingly, an Extraordinary General Meeting (EGM) of the Shareholders of the Company will be held on Wednesday 30th June 2021 at 11.00a.m and attached is the Notice of EGM, which sets out the Resolution that will be placed before the shareholders for the purpose of increasing the number of shares by way of a sub-division.

Pursuant to such sub division of shares, trading on the Company's shares will be suspended and the books of the Company will be closed for a period of three (03) market days commencing from 01st July 2021 to 05th July 2021 (both days inclusive) for the purpose of updating the Register of Shareholders and the records of the Central Depository Systems (Pvt) Ltd (CDS) pursuant to such sub-division. The trading of the Company's shares will commence on 06th July 2021 subsequent to the sub-division.

In determining the number of shares held by a shareholder as at the relevant date for the purpose of sub-dividing (splitting), the Ordinary Shares in the CDS and the Shareholders' Register maintained by the Company will be aggregated insofar as the identity of such shareholders is available with the Company for identification purposes.

Subsequent to the shares being updated with the proposed sub-division, the shares held by CDS account holders will be directly uploaded to their respective CDS accounts within three (03) market days from the date of such sub-division of shares.

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Pursuant to a Directive issued by the Securities and Exchange Commission of Sri Lanka (SEC) pertaining to the de-materialization of listed securities, the shareholders who hold shares in Scrip form (i.e., Share Certificates) as per the Register maintained by the Registrars to the Company, will not be issued Share Certificates in their favour. Such shareholders are requested to deposit their existing Share Certificates in the CDS prior to the date of the EGM of the Company. This will enable the Company to deposit shares directly into the Shareholder's CDS Account.

Shareholders who fail to deposit their shares in the CDS prior to the date of the EGM, will have their shares uploaded only after such shareholders open CDS Accounts, and submit the details of their CDS accounts together with the existing Share Certificates to the Registrars.

Direct uploads pertaining to written requests received from shareholders to deposit such shares will be done on a weekly basis.

Shareholders who may require additional details or assistance in relation to any of the above-mentioned matters may contact the Secretaries and Registrars to the Company, P W Corporate Secretarial (Pvt) Ltd on any working day between 8.30 am and 4.30 pm on (00 94) 11 4640360-3 or 076-8273007.

Shareholders who have lost their Share Certificates may contact Ms. Vineetha Jayakody of P W Corporate Secretarial (Pvt) Ltd at No.3/17, Kynsey Road, Colombo 8 on (00 94) 11 4640360-3 or 076-8273007 to facilitate the issue of duplicate certificates.

Attached is a Notice convening an EGM for the purpose aforesaid.

Taking into considering the current regulations/ restrictions prevailing in the country due to the Covid-19 Pandemic, the Board of Directors of Vallibel Finance PLC had decided to hold this EGM as a Virtual Meeting on Wednesday 30th June 2021 at 11.00 a m in line with the guidelines issued by the CSE for hosting virtual/hybrid AGMs and on the assumption that no curfew will be in force on that day and that there would be no restrictions imposed by the Government on conduct of meetings. Instructions to Shareholders in this regard together with a Registration Form to be completed by the Shareholders and returned to the Company are attached.

Due to the prevailing situation in the Country, the Circular to Shareholders will be made available on the Company's official website (<https://www.vallibelfinance.com>) and on the Colombo Stock Exchange (CSE) website (<https://www.cse.lk>). The Notice of Extraordinary General Meeting, Form of Proxy and other related documents will also be made available on the same web sites.

Subject to the instructions aforesaid, Shareholders who are unable to attend the meeting in person are requested to complete the enclosed Form of Proxy (in accordance with the instructions specified therein) and deposit same at the Registered Office of the Company No. 310, Galle Road, Colombo 03 Road, or e-mail same to vfin.pwcs@gmail.com 47 hours prior to the meeting.

By Order of the Board
VALLIBEL FINANCE PLC
Sgd.
Director - P W Corporate Secretarial (Pvt) Ltd
Secretaries to the Company

Colombo, this 14th day of June 2021