

SUNSHINE HOLDINGS PLC
CIRCULAR TO SHAREHOLDERS
SUB-DIVISION OF SHARES

Dear Shareholder/s

As you know the total number of ordinary shares of Sunshine Holdings PLC (“Sunshine Holdings”) in issue as at 24th February 2021 is 149,554,103 shares and the current trading price of a share is Rs. 75.20 as at 24th February 2021.

Therefore, the Board of Directors of Sunshine Holdings recommends to the shareholders that the liquidity and marketability of the ordinary shares of Sunshine Holdings be increased by a subdivision of the ordinary shares of Sunshine Holdings without increasing the stated capital of Sunshine Holdings.

SUBDIVISION OF EXISTING ORDINARY SHARES

The Board of Directors of Sunshine Holdings propose that each of the ordinary shares of Sunshine Holdings which have been issued and are credited as fully paid up be subdivided into three (3) new ordinary shares.

Pursuant to the subdivision, the number of ordinary shares of Sunshine Holdings will be increased to 448,662,309 ordinary shares.

There will be no change in the stated capital of Sunshine Holdings pursuant to the subdivision.

The resolution set out in the attached Notice of Meeting is for the purpose of effecting the sub-division of shares. The subdivision of shares shall accordingly be effective upon the said resolution being duly passed by the shareholders of Sunshine Holding by way of a special resolution.

The shareholding of Sunshine Holding’s ordinary shareholders as at end of trading on 25th March 2021 shall be considered for purposes of effecting the said subdivision of shares.

RIGHTS ATTACHED TO THE SUBDIVIDED SHARES

The ordinary shares so increased pursuant to the subdivision will have the same rights *vis-à-vis* the existing ordinary shares and the said subdivision will leave unaffected the relative voting and distribution rights of the holders of the ordinary shares.

TRADING

In the event the resolution in the attached Notice of Meeting is duly passed, then, for the purpose of updating records of the shareholders whose shares are lodged in the Central Depository Systems (Private) Limited (CDS), dealing in Sunshine Holdings's shares will be suspended by the Colombo Stock Exchange at the request of Sunshine Holdings for a maximum period of three (03) market days from the 26th day to 30th day (both days inclusive).

The trading of shares following the subdivision will commence on the 31st of March 2021.

UPLOADING OF SHARES TO THE CDS/ UPDATING OF SHARE REGISTER FOR THE INCREASED SHAREHOLDING

Subsequent to the subdivision of shares and resultant creation of new shares, the CDS records and the share register of Sunshine Holdings will be updated.

In the case of shareholders whose shares have been lodged with the CDS, the new shares will be directly uploaded to their respective CDS accounts prior to the commencement of trading on 31st March 2021.

When determining the number of shares held by a shareholder as at the relevant date for the purposes of subdivision, the shareholding of the shareholders appearing in the share register maintained by Sunshine Holdings and in the CDS will not be aggregated. However, if a shareholder holds shares through multiple accounts maintained through several stock brokers, the said shares will be aggregated for the purposes of calculating the entitlement at the subdivision, and the shares arising as a result thereof will be uploaded to the respective CDS accounts held with each broker.

In the case of shareholders whose shares have not been lodged with the CDS, those shareholders are kindly requested to open accounts with the CDS prior to the date of the Extraordinary General Meeting of Sunshine Holdings convened as per the attached Notice of Meeting in order to ensure compliance with the directive of the Securities and Exchange Commission of Sri Lanka (SEC/LEG/10/1151) dated 22nd November 2010. Until such CDS accounts are opened by shareholders who do not have CDS accounts, the subdivided shares of such shareholders will only be registered in the share register of Sunshine Holdings and no share certificates will be issued to such shareholders.

COMPLIANCE WITH THE LAW

The subdivision of shares and the modality Sunshine Holdings proposes to adopt in effecting the subdivision is in conformity with the guidelines issued by the Colombo Stock Exchange.

Article 12(i)(b) of the articles of association of Sunshine Holdings, as quoted below, permits the increase of shares by way of a subdivision:

"The Company may by Special Resolution: (b) subdivide (split) all or any of its shares issued at the time, with the objective of increasing the number of shares in issue."

The subdivision of shares and the modality Sunshine Holdings proposes to adopt in effecting the subdivision, is not inconsistent with the provisions of the Companies Act No.7 of 2007.

The above matters will be taken up at an Extraordinary General Meeting of Sunshine Holdings which is convened in terms of the attached Notice of Meeting for the purpose of adopting the special resolution set out therein. Shareholders who are unable to attend the meeting in person are requested to complete the enclosed Form of Proxy relating to the abovementioned resolution (in accordance with the instructions specified thereon) and deposit it at the registered office of Sunshine Holdings, not less than 48 hours for the time appointed for the meeting.

By Order of the Board

CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries
SUNSHINE HOLDINGS PLC


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Chief Executive Officer
CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries