

CIRCULAR TO SHAREHOLDERS

Dear Shareholder/s

SUB-DIVISION (SPLITTING) OF SHARES

The Board of Directors of Colombo City Holdings 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 and 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 sub-divided into twenty (20) Ordinary Shares thereby increasing the total number of issued shares of the Company from One Million Two Hundred and Seventy Two Thousand Eight Hundred and Fifty Seven (1,272,857) Ordinary Shares into Twenty Five Million Four Hundred and Fifty Seven Thousand One Hundred and Forty (25,457,140) Ordinary Shares without in any way changing the Stated Capital of the Company, which would remain at Rupees Eleven Million One Hundred and Thirty-Seven Thousand Five Hundred and Five (Rs. 11,137,505/-).

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 9 (i) of the Articles of Association of the Company facilitates such sub-division of shares of the Company, by a Special Resolution of the Shareholders of the Company.

Accordingly, an Extraordinary General Meeting (EGM) of the Shareholders of the Company will be held on Monday, 3rd April 2023 at 9.30 a.m. and attached is the Notice of the EGM, which sets out the Resolutions that will be placed before the Shareholders for the purpose of increasing the number of shares by way of a sub-division.

The sub-division would take place based on the number of shares held by a shareholder as at end of trading on the third market day from and excluding the said Extraordinary General Meeting date, i.e. 10th April 2023 (Record Date).

Pursuant to such sub-division of shares, dealings will be suspended at the end of trading on the date of the Extraordinary General Meeting, for a period of six (06) market days from and excluding the said Extraordinary General Meeting date 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. Trading on the Company's shares following the sub-division will commence on 18th April 2023.

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 in so far 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 and excluding the record date of such sub-division of shares.

Pursuant to the Directive of the Securities and Exchange Commission of Sri Lanka (SEC) made under Circular No. 08/2010 dated 22nd November 2010 and Circular No. 13/2020 issued by the Central Depository System (Private) Limited dated 30th November 2010 all securities have to be deposited in the CDS. Therefore, shareholders are requested to deposit their existing Share Certificates in the CDS prior to the date of the EGM. This will enable the Company to deposit shares directly into the Shareholder's CDS Account subsequent to the proposed sub-division.

Please note that, if you have not deposited your share certificate, no share certificate will be issued to you subsequent to the sub-division and your shares will be held in suspense until you inform your CDS account number in writing by duly completing the attached "Form A" along with the existing share certificate/s, to Colombo City Holdings PLC, No. 10, 5th Floor, Gothami Road, Colombo 8.

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

Any shareholder who has misplaced/lost the share certificate/s, is kindly requested to obtain a draft form of a letter of indemnity and affidavit from the Company and return the same duly completed on or before 3rd April 2023 (date of the EGM) along with a letter indicating his/her CDS account number into which the shares are to be deposited. Your shares subsequent to the sub-division will only be deposited in the CDS after the duplicate process has been completed.

Notwithstanding anything herein stated, the share certificate/s issued prior to the sub-division shall be deemed to be invalid, whether or not the share certificate/s are returned.

Shareholders who may require additional details or assistance in relation to any of the above-mentioned matters may contact Ms. Giyanie Fernando on telephone no. 0740 789 801 or email to cchegm2023@colombocityholdings.com on any working day between 9.00 a.m. and 4.30 p.m.

Attached is the Notice convening an Extraordinary General Meeting (EGM) for the purposes aforesaid.

The Board of Directors of Colombo City Holdings PLC had decided to hold this EGM as a Virtual Meeting on Monday, 3rd April 2023 at 9.30 a.m. in line with the guidelines issued by the CSE for hosting virtual/hybrid 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.

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. 10, 5th Floor, Gothami Road, Colombo 8 by 9.30 a.m. on 1st April 2023.

By Order of the Board
COLOMBO CITY HOLDINGS PLC
Sgd.
Nexia Corporate Consultants (Private) Limited
Secretaries to the Company

Colombo, this 7th day of March 2023.