

ACCOUNTING SYSTEMS Secretarial Services (Private) Limited

Reg. No. PV 4190

Level 03,
No. 11, Castle Lane,
Colombo 04, Sri Lanka.
Tel+94(11) 2 505 102, +94(11) 5 444 425
Fax+94(11) 2 504008
e-mail : asss@esjaycorporateservices.com

18th October 2016

Mr Renuke Wijayawardhane
Chief Operating Officer
Colombo Stock Exchange
04-01 West Block
World Trade Centre
Echelon Square,
Colombo 01

Dear Sir,

LEE HEDGES PLC - PQ 152 SUB-DIVISION OF SHARES

We wish to inform you that the Board of Directors of the Company at the Board Meeting held on Thursday 13th October 2016 resolved to recommend to the shareholders, to increase the number of shares of the company by way of a sub division of shares. Accordingly every One (01) ordinary share held will be sub divided into Five (05) ordinary shares.

The existing number of shares as at 18th October 2016 is Five Million One Hundred and Twenty Thousand Five Hundred and Forty Six (5,120,546) ordinary shares. The new shares created by the share split are Twenty Million Four Hundred and Eighty Two Thousand One Hundred and Eighty Four (20,482,184) ordinary shares. The total shares after the share split would be Twenty Five Million Six Hundred and Two Thousand Seven Hundred and Thirty (25,602,730) ordinary shares.

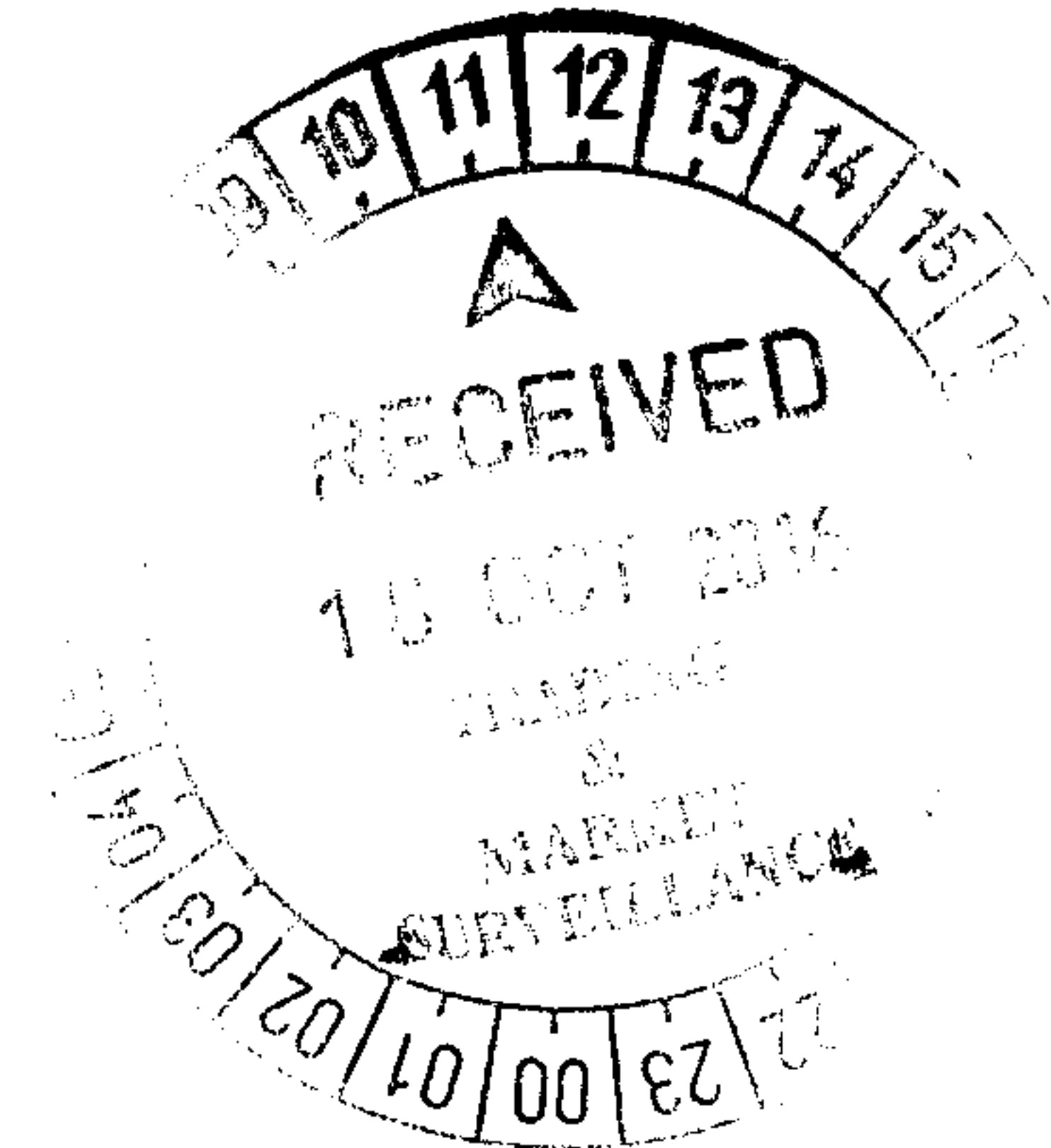
Number of shares prior to sub division	5,120,546
Number of shares after sub division	25,602,730

The extract of the Article permitting the sub division of shares is as follows. The sub division would not change the stated capital of the company.

11. (iii) "The Company may by Ordinary Resolution

Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes) and so that the resolution whereby any share is sub divided may determine that , as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the company has power to attach to unissued or new shares.

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It was further resolved that these new shares will rank equal in all respects to the existing shares of the company.

The increase of shares by way of a share-split (sub-division) is subject to shareholders' approval at an Extraordinary General Meeting, and the date will be announced after the necessary regulatory approval is obtained. The sub division would take place based on the number of shares at the end of trading on the date of the Extraordinary General Meeting.

Yours faithfully,

By order of the Board of Directors of

Lee Hedges PLC

A handwritten signature in black ink, appearing to read 'Hoern', is written over the printed name of the secretarial services company.

Accounting Systems Secretarial Services (Private) Limited
Secretaries