

Zagreb, June 28, 2019

**Zagreb Stock Exchange
Croatian Financial Services Supervisory Agency
Croatian News Agency
ots@hina.hr
Company WEB site**

Notice on decisions passed by the General Assembly

Pursuant to the Zagreb Stock Exchange Rules, we hereby inform that the Annual General Assembly of Sunce koncern d.d., Trpinjska 9, Zagreb (the „**Company**“) was held on 28 June 2019 at the Company's main office.

The General Assembly rendered all its decisions according to the proposals determined by the Management Board and Supervisory Board of the Company that were included in the invitation to the General Assembly and published on the Zagreb Stock Exchange on 09 May 2019, and also on the Company's website, except for the item 3.8 of the agenda.

SUNCE ULAGANJA d.o.o. submitted the counter - proposal on the General Assembly in relation to the item **3.8 of the agenda**, regarding the obligation to obtain prior approvals pursuant to the concluded Loan agreements. The complete decision of the General Assembly based on the adopted counter - proposal is specified at the end of this notice.

The General Assembly was attended by representatives of shareholders who had 5.391.848 shares, or the same number of votes, which means that 99.96% of voting shares were present at the general meeting.

Furthermore, pursuant to the provisions of the Companies Act, the Company hereby announces the voting results at the General Assembly:

Agenda Item 2

Decision on the Approval of the Merger Agreement between Hotel Alan d.d., Hoteli Tučepi d.d., Hoteli Zlatni rat d.d., Hoteli Brela d.d. and Sunce koncern d.d.

Number of casted votes:	5.391.848
Number of casted votes (% share capital):	99,96 %
Number of votes FOR:	5.391.848
Number of votes AGAINST:	0
Abstentions:	0

DECISION PROPOSAL ACCEPTED

Agenda Item 3

Decision on the Increase of the Company's Share Capital and the Issuing of the Company's Ordinary Shares for the Purpose of the Merger

Number of casted votes:	5.391.848
Number of casted votes (% share capital):	99,96 %
Number of votes FOR:	5.391.848
Number of votes AGAINST:	0
Abstentions:	0

DECISION PROPOSAL ACCEPTED

Agenda Item 4

Decision on Renaming the Company

Number of casted votes:	5.391.848
Number of casted votes (% share capital):	99,96 %
Number of votes FOR:	5.391.848
Number of votes AGAINST:	0
Abstentions:	0

DECISION PROPOSAL ACCEPTED

Agenda Item 5

Decision on Amending the Company's Articles of Association

Number of casted votes:	5.391.848
Number of casted votes (% share capital):	99,96 %
Number of votes FOR:	5.391.848
Number of votes AGAINST:	0
Abstentions:	0

DECISION PROPOSAL ACCEPTED

Agenda Item 6

- a) **Decision on the covering of the 2018 losses**
- b) **Decision on the discharge of liability for the members of the Management for 2018**
- c) **Decision on the discharge of liability for the members of the Supervisory Board for 2018**

Number of casted votes:	5.391.848
Number of casted votes (% share capital):	99,96 %

Number of votes FOR:	5.391.848
Number of votes AGAINST:	0
Abstentions:	0

DECISION PROPOSAL ACCEPTED

Agenda Item 7

Decision on Appointing the Company's 2019 Auditor

Number of casted votes:	5.391.848
Number of casted votes (% share capital):	99,96 %
Number of votes FOR:	5.391.848
Number of votes AGAINST:	0
Abstentions:	0

DECISION PROPOSAL ACCEPTED

Decision on the Increase of Share Capital and the Issuing of Shares for the Purpose of the Merger

- 1 For the purpose of merging the company HOTEL ALAN d.d., Starigrad, Dr. Franje Tuđmana 14, Reg. No (MBS): 060154942, PIN (OIB): 74508495120 (hereinafter referred to as: HOTEL ALAN), the company HOTELI TUČEPI d.d., Tučepi, Dračevica 35, Reg. No (MBS): 060011576, PIN (OIB): 25592312404 (hereinafter referred to as: HOTELI TUČEPI), the company HOTELI ZLATNI RAT d.d., Bol, Bračka cesta 13, Reg. No (MBS): 060284324, PIN (OIB): 52164567674 (hereinafter referred to as: HOTELI ZLATNI RAT) and the company HOTELI BRELA d.d., Brela, Trg Gospe od Karmela 1, Reg. No (MBS): 060013762, PIN (OIB): 78097341068 (hereinafter referred to as: HOTELI BRELA) as the Acquired Companies (hereinafter jointly as: the Acquired Companies), the share capital of the company SUNCE KONCERN d.d., Zagreb, Trpinjska 9, Reg No (MBS): 080502040, PIN (OIB): 06916431329 as the Acquiring Company (hereinafter referred to as: the Acquiring Company or the Company), in the amount of HRK 539,385,000.00 shall increase by HRK 56,073,500.00 and reach the amount of HRK 595,458,500.00.
- 2 The share capital of the Company shall be increased by issuing 560,735 new registered ordinary shares in the Company, with the nominal amount of HRK 100 (one hundred) each (hereinafter referred to as: the New Shares), designated as SUKC-R-A or another code assigned by the Central Depository & Clearing Company Inc., Zagreb, Heinzelova 62/a, PIN (OIB): 64406809162 (hereinafter referred to as: CDCC).
- 3 The New Shares shall be transferred to the Acquired Companies' shareholders (excluding the Acquiring Company) in exchange for the shares they have in the Acquired Company, (i) in a 1:0.6641 ratio, so that each HOTEL ALAN shareholder (excluding the Acquiring Company) for 1 (one) share in HOTEL ALAN acquires 0.6641 shares in the Acquiring Company; (ii) in a 1:3.5903 ratio, so that each HOTELI TUČEPI shareholder (excluding the Acquiring Company) for 1 (one) share in HOTELI TUČEPI acquires 3.5903 shares in the Acquiring Company; (iii) in a 1:0.7512 ratio, so that each HOTELI ZLATNI RAT shareholder (excluding the Acquiring Company) for 1 (one) share in HOTELI ZLATNI RAT acquires 0.7512 shares in the Acquiring Company; and (iv) in a 1:0.0929 ratio, so that each HOTELI BRELA shareholder (excluding the Acquiring Company) for 1 (one) share in HOTELI BRELA acquires 0.0929 of shares in the Acquiring Company.
- 4 The Acquiring Company shall not acquire New Shares in the Company in exchange for shares it has in the Acquired Companies, or any other right, and it shall not be financially compensated in accordance with Article 520 of the Companies Act.
- 5 The Acquired Company's shareholders who, according to the calculation of the shares following the exchange, would not receive a whole number of the Acquiring Company's shares, shall have their number of exchanged shares rounded down to the nearest whole number by the Acquiring Company, and for the part of the share for

which the Acquired Companies' shareholders would not receive a whole number of shares, they shall receive financial compensation within the meaning of Article 513 item 4 with regard to Article 520 paragraph 4 of the Companies Act, in accordance with the Merger Agreement concluded on 6 May 2019 between the Acquiring and the Acquired Companies.

- 6 If a number of New Shares in the Company should remain unallocated to the Acquired Companies' shareholders, the shares shall be allocated to the Company's own shares.
- 7 The New Shares shall be issued in non-material form, as electronic records in the CDCC computer system, with a designation provided by the CDCC. Starting with the date of acquiring the shares, the New Shares shall provide the shareholders rights equal to other shares in the Acquiring Company in accordance with the provisions of the Companies Act and the Company's Articles of Association. The New Shares shall be admitted for trading to the Official Market of the Zagreb Stock Exchange Inc., Zagreb, Ivana Lučića 2a (hereinafter referred to as: Zagreb Stock Exchange), in accordance with applicable regulations. After their admission to the regulated market, the New Shares of the Company shall be available for trade.
- 8 The Management and the Supervising Board President shall, upon the adoption of this Decision, carry out all legal actions required in order to register the increase of the Company's share capital and the contemplated merger at the court register, but only under condition that the Management Board obtain all necessary written approvals of the Banks pursuant to the concluded Loan Agreements. After registering this Decision at the court register, the Management shall carry out all legal actions required for the implementing the corporate merger in the CDCC system in accordance with the applicable regulations, as well as any action required for the purpose of admitting the New Shares to the Official Zagreb Stock Exchange Market.
- 9 The Company shall bear all costs for the increase of the Company's share capital and for issuing the New Shares.

Sunce koncern d.d.

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